



expand



connect



prosper

townsville port authority
annual report 1999/2000

at a glance

our vision

Townsville Port Authority will manage the operation and development of the Port of Townsville to become Australia's pre-eminent maritime port.

We will be recognised in Australia and internationally as a catalyst for trade and regional, economic development.

We will achieve our vision by providing our stakeholders with a level of service that consistently exceeds their expectations.

our mission

Our Mission for Townsville Port Authority is to create shareholder value and to efficiently manage infrastructure, facilities, utilities and a seamless service in a commercial manner, to ensure the speedy, cost-effective turnaround of ships, to the benefits of all of our stakeholders.

our values

In support of the vision, our core values are to:

1. Operate in a responsible, ethical, honest manner and to display integrity in all of our dealings and negotiations.
2. Create an open, encouraging, motivating work environment, that gives TPA employees the opportunity to work to their maximum potential and to be rewarded accordingly.
3. Promote and recognise innovation in our customers' services and work processes, through continuous improvement and/or technology enhancements.
4. Be responsive to our customers' expectations, be competitive and maintain an uncompromising commitment to high quality, customer service at all levels of TPA.
5. Treat all of our stakeholders with courtesy and respect. Recognise that customers are the reason for our organisation's existence.
6. Adopt a pro-active approach towards environmental management at the Port of Townsville by implementing a fully integrated environmental management system.

who we are

It was in 1863 when the port was first used to serve the newly established pastoral industry. A year later, the first wharf was erected at the entrance to Ross Creek. Trade increased to the point where a decision had to be made on the future development of the port, and in 1885, the basic design was approved and construction commenced.

December 1895 saw the introduction of a Bill to constitute the Townsville Harbour Board, the first meeting taking place on 26 March 1896 at the Town Hall. However it was not all plain sailing for the newly constituted Harbour Board.

Mr J. Macintosh was elected as Chairman and the meeting adjourned until later that afternoon. When the meeting resumed, the motion for the nomination of Mr Macintosh

was withdrawn with the unanimous consent of the Board. Mr W. Lennon was then nominated for the position of Chairman, and as such, was duly elected the first Chairman of the Board. At the end of the meeting, Mr Macintosh tendered his resignation.

The history of the Port of Townsville is colourful and the development of the port from the early days to the port of today is testament to the men and women whose foresight saw the port prosper and grow. We offer you a brief glimpse into the port's past 100 years below.

1896 - 1906

- 1900 1870 ft of wharves completed along the eastern breakwater and a road formed from Magazine Island to South Townsville.
- 1901 Harbour Board's offices erected on an old Customs Reserve between the Strand and Flinders Street (No. 1 The Strand).
- 1905 Recommencement of work on the inner harbour. Concrete quay type wharves erected at the foot of Flinders Street and cargo sheds built.

1906 - 1916

- 1911 Work ceased on inner harbour due to the increasing size of interstate steamers coming into Townsville. Dredge 'Cleveland Bay' arrives in Townsville.
- 1913 Concrete pier running parallel to Jetty Wharf completed and a large cargo shed built.
- 1914 Widening of the eastern breakwater and 10 ha of land reclaimed in front of Pilot Hill.
- 1915 The outbreak of World War I temporarily halts the impetus of development and stretches the resources of the Harbour Board.

1916 - 1926

- 1918 Shed on the concrete pier which was destroyed by fire in 1917 rebuilt and electric light plant installed for lighting the wharves.
- 1920 Control of the foreshores of Magnetic Island given to the Harbour Board.
- 1921 Invicta Mill at Giru crushes for the first time.
- 1923 Construction of a jetty at Horseshoe Bay, Magnetic Island and a landing stage in Ross Creek.
- 1925 Sugar from the new Tully Mill shipped through Townsville.

1926 - 1936

- 1928 Purchased Magazine Island from the Commonwealth Government.
- 1929 Eastern jetty extended by 650 ft and railway tracks laid to transport MIM products. Pipe connected to the concrete pier and the first import of bulk oil (Shell Co.).
- 1931 9 July saw the first shipment of lead slabs from Mount Isa loaded by crane at the rate of 50 tons per hour.

1936 Construction of a 10,000 ton depot for the storage of zinc concentrates.

1936 – 1946

1938 MIM installed a second 20 ton electric crane. Townsville nominated as port of call for the Empire Flying Boats, carriers of the Imperial Mail Service.

1942 Townsville became one of the most important military bases in the Pacific due to the outbreak of World War II and harbour development and operations were severely affected. A Port War Signal Station was established on Pilot Hill. The longest serving member of the Board, Mr J.V. Suter, died on 22 November. Mr Suter had retained a seat on the Board for a period of forty years.

1945 Peace was declared and the Harbour Board attended to the maintenance work that had been neglected during the war.

1946 – 1956

1951 Work commenced on the widening of the eastern breakwater using rock quarried from Pilot Hill and the Townsville City Council quarry.

1952 MIM improved its zinc concentrates depot by widening the concrete floor by 70 ft, installing a new discharging ramp and building a roof over the whole depot.

1953 Lighthouse Keeper's cottage and signal relocated from Pilot Hill to a site adjacent to the existing Pilot Station.

1954 First visit to Townsville by Queen Elizabeth II and Prince Phillip.

1956 – 1966

1958 People's right to elect members of the Harbour Board removed, the franchise being restricted to local authorities.

1959 Construction of the bulk sugar terminal.

1962 Suter Pier constructed.

1963 Fire broke out in the sugar shed on 9 May. The damaged shed was reconstructed by the end of the year.

1965 Second storage shed for sugar constructed. Oil tanker berth at the northern arm of the eastern breakwater opened.

1966 – 1976

1969 Construction of roll-on-roll-off terminal used for containers and vehicular cargo by Australian National Line.

1970 Queen Elizabeth II visited Townsville for the second time, accompanied by the Duke of Edinburgh and Princess Anne.

1971 Cyclone Althea strikes Townsville on 24 December with wind gusts of up to 122 knots.

1972 Number 3 berth reconstructed to accommodate the export of MIM products in containers and unit loads.

1974 Installation of a container crane with a lifting capacity of 55 tons. Export of the first refined nickel from Yabulu took place.

1976 – 1986

1977 Major wool dumping and core sampling facility opened.

1979 Exports of rock phosphate ceased following the closure of the Duchess mine.

1983 New bulk mineral handling facility opened by the Premier Joh Bjelke Petersen.

1986 Completed the removal of Magazine Hill and the construction of a new eastern breakwater off Benwell Road.

1986 – 1996

1987 Governor in Council approves the name change - Townsville Harbour Board to Townsville Port Authority on 1 January.

1992 Prime Minister, the Hon. Paul Keating, unveils a plaque commemorating the official commencement of works at the \$90 million eastern port development area. Maritime Museum re-opened in Palmer Street following relocation from berth 4.

1995 Tug mooring pontoon constructed. Became a Government Owned Corporation (GOC) on 1 July.

Today, Townsville Port Authority is the manager of Townsville Port which has a land and sea jurisdiction in excess of 400 square kilometres. The port is located on the east coast of Australia, 1359 km by road from Brisbane, the State's capital, and comprises a mix of Townsville Port Authority, Queensland Government and privately owned and operated facilities and services.

The marine authority for Townsville Harbour is Queensland Transport, Marine Operations. Its local representative is the Regional Harbour Master who is responsible for all navigational matters. Towage, line boat and stevedoring services are provided by the private sector. Shipping-related services such as security, the allocation of berths and moorings, electricity and water, and the provision of pilotage services are also carried out.

* Informational content sourced from publication entitled 'The History of Townsville Harbour Board 1864 – 1979', by H.J.Taylor.

contents

about our report

This report communicates our financial and business activities for the fiscal year from 1 July 1999 to 30 June 2000.

The report aims to provide readers with clear, concise and accurate information about the port's performance during the year. It provides a comprehensive review of our activities, achievements, and initiatives for the period. It is designed to inform our stakeholders, customers, our employees, Government and industry, the general community and other interested parties.

It is also used to support the marketing of the Port of Townsville to potential customers and is widely distributed throughout Australia and overseas.

your comments are important to us

Our 1998/99 report was recognised at the 19th Anniversary of the Institute of Internal Auditors Inc. (Qld Branch) Queensland Public Sector Annual Report Awards, where it was awarded an Award of Merit.

We are continually striving to achieve excellence in annual reporting. Feedback on the contents and style of this report is important to us, so we can improve future reporting. We welcome your comments and suggestions on the feedback form enclosed.



add your name to our database

Copies of this report are available free by telephoning (61 7) 4781 1500 or by accessing our website. Please visit us at

<http://www.townsville-port.com.au/publications>

to view a copy on screen or request a copy using our online request form.

A database records all mailing addresses for those readers wishing to be placed on it to receive future publications.

cover

The theme of this report is connecting places, goods and people. The statement 'expand, connect, prosper' applies to both Townsville Port Authority and its customers.

This report reflects the Authority's achievements, how these achievements work to enrich the business of our customers, and the synergy that exists between both.

The theme is graphically represented throughout the report as a dynamic series of connected circles. This is to show the Authority's position as an intermodal link provider - essentially a hub connecting the region to different places and the goods and people from these places.

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significant events



The Pacstar is assisted into port.



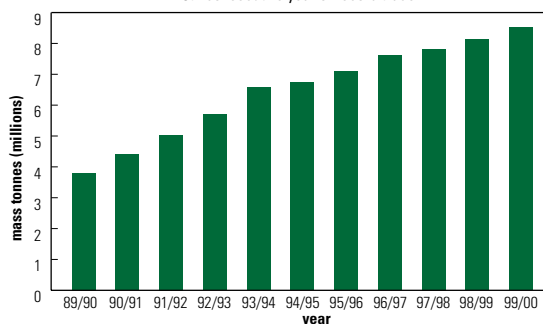
Visitors to the opening of the new Administration Building, 21 March 2000.



Raw sugar loading.

- transported over 8.5 million tonnes of cargo over our wharves achieving our 13th year of consecutive record trade growth - a 4.6% increase over the previous year
- individual trade records set for general cargo imports, and refined copper and lead, and live cattle exports
- World Record shipments for raw sugar and live cattle exports
- opening of new Administration building on Benwell Road
- investigated options into a third sugar storage shed capable of storing 400,000 tonnes of raw sugar
- commissioning of the Sun Metals zinc refinery and Western Mining Corporation Fertilizers' (WMCF) facilities in the port. However production difficulties experienced by WMCF result in below budget trade figures
- Tropical Cyclone 'Tessi' hits Townsville on 3 April 2000 resulting in \$1 million in damage to the port's seawalls and buildings
- industrial action experienced over manning levels on port tugs
- commissioned an economic impact study into the economic benefits the port brings to the north Queensland region and the contributions the port makes to the socio-economic well-being of the communities within these regions
- delegation visits Dili, East Timor to discuss the potential management of the ports in Timor with the United Nations through the Asian Development Bank
- entered negotiations with the Department of Defence and Patrick Stevedoring to extend berth 10

total trade throughput 1989/90-1999/00
13th consecutive year of record trade.

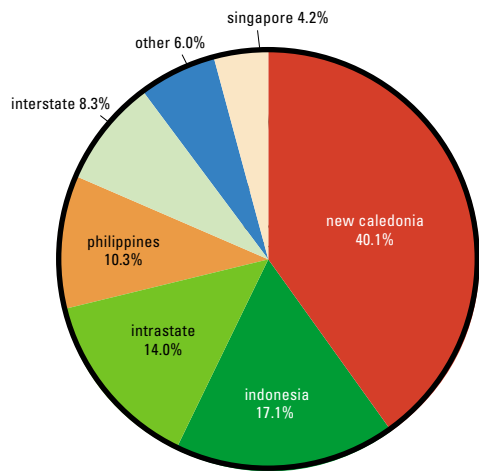


WMCF's port facilities.

HMAS Jervis Bay after deployment to East Timor.

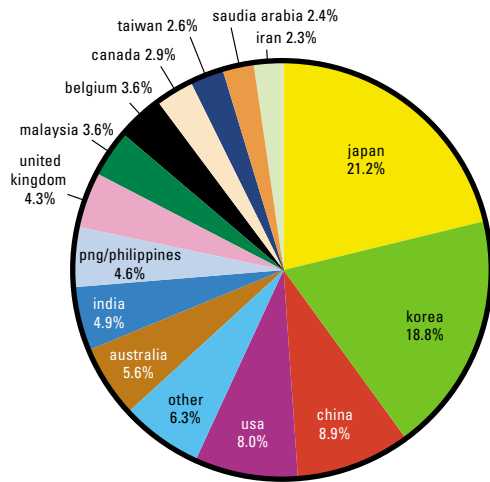
Unloading 16 leopard tanks from the HMAS Tobruk, May 2000.

imports by country - 1999/2000
total imports: 4,917,228 tonnes



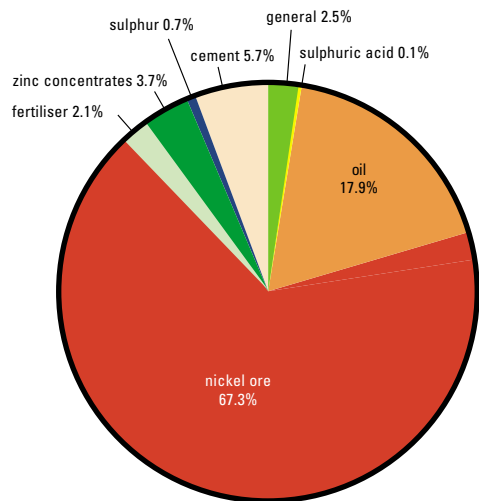
Imports from the Philippines have increased from 4.7% to 10.3% over the last year.

exports by country 1999/2000
total exports: 3,604,049 tonnes



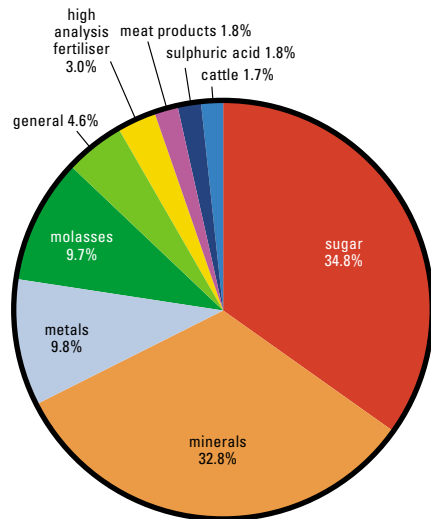
Japan retained its position as the largest single market for exports.

imports through the port of townsville 1999/2000



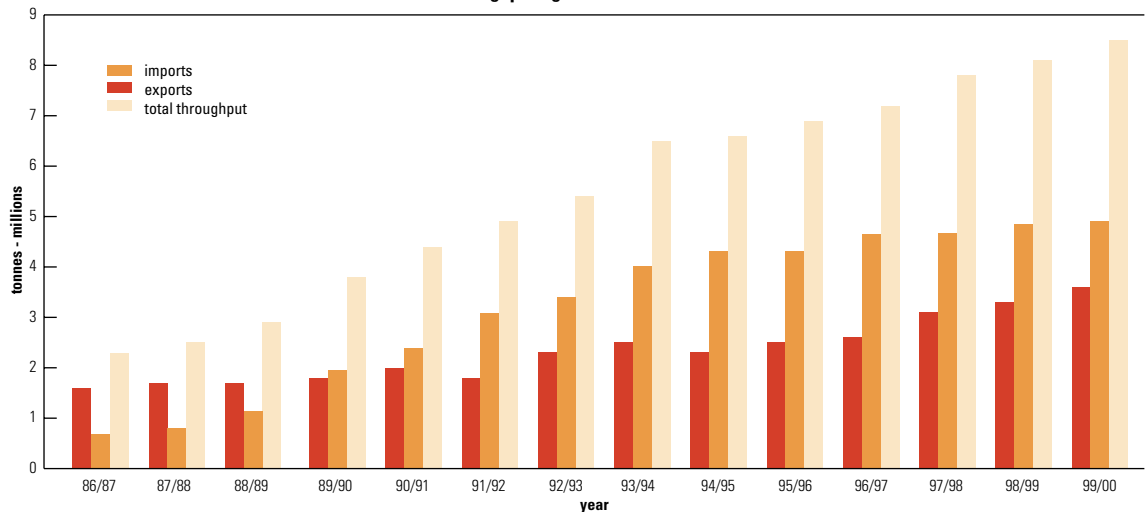
Total imports were a record 4.9 million tonnes.

exports through the port of townsville 1999/2000



Total exports were a record 3.6 million tonnes.

total trade throughput - growth in trade since 1986/87



financial review 1999/2000

Due to the abnormal writedown of asset values during 1999/2000, TPA has recorded a loss for the first time. Assets have been written down by \$58 million after application of the recoverable amount test as per the Australian Accounting Standard AAS 10 and Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector.

The majority of the writedown (\$34 million) is associated with the user funded BHP Minerals Pty Limited facility.

significant writedowns as at 1 January 2000 included

- Wharf 11 from \$20.71 million to \$100,000
- Dredged pocket Berth 11 from \$13.36 million to \$100,000
- Channels and Swing Basins from \$39.77 million to \$29.78 million
- Wharf 2 to 4 from \$20.4 million to \$10.75 million
- Wharf 10 from \$2.73 million to \$100,000
- Breakwater \$3.46 million to \$2.45 million

adjusting entries involved

- Decreasing written down value of assets from \$171 million to \$113 million
- Decreasing Asset Revaluation Reserve from \$16.96 million to \$9.66 million (the Asset Revaluation Reserve account had increased from \$12.64 million to \$16.96 million following indexed revaluation increases in July 1999)
- Decreasing Berth 11 Reserve from \$31.55 million to \$200,000
- Recognising an Abnormal Devaluation Expense of \$19.48 million

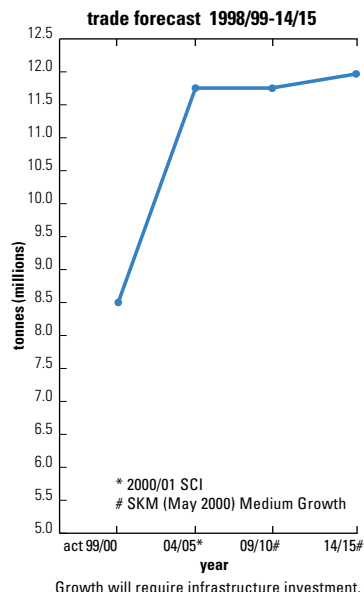
Operating Revenue for 1999/2000 of \$23 million was \$1.2 million higher than 1998/1999 due to increased tonnages (from 8.1 to 8.5 million tonnes) handled through the port. There were no increases in harbour dues or tonnage rate charges.

Operating Expenses of \$21.7 million were \$3.8 million higher than the previous year due mainly to additional maintenance cost for 'Sir Thomas Hiley' dredging in August 1999 and June 2000 (\$2.4 million) and Ross River dredging of \$1.1 million. Depreciation expense of \$6.4 million was higher than the previous year due to new assets and revised useful remaining life of several assets.

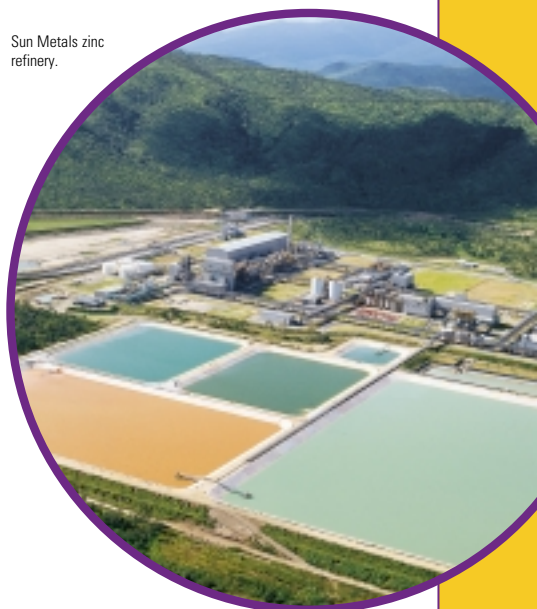
Operating Profit before abnormal items and income tax equivalents was \$1.26 million. This was lower than the budget amount of \$2.7 million due mainly to trade throughput being 90.3% of budget. Due to the abnormal asset writedowns and subsequent loss, there is no dividend provided for 1999/2000.

Capital Expenditure for 1999/2000 was \$12.3 million. Main items of expenditure were \$8.7 million for WMCF assets, \$1.22 million for the new administration building, \$609,000 for Berth 3 pavement upgrade, \$255,000 for upgrade of Port Control Tower, and \$190,000 for preliminary works on Berth 10 upgrade.

Cash flows from operating activities during 1999/2000 were \$8.4 million. Loan liability was reduced from \$3.4 million to \$361,000 during the year.



Sun Metals zinc refinery.



five year performance

	1999/2000 \$M	1998/99 \$M	1997/98 \$M	1996/97 \$M	1995/96 \$M
Operating Revenue	23.0	21.8	19.7	19.2	17.6
Earnings Before Interest and Tax	1.4	4.1	3.1	3.7	4.2
Total Assets*	128	185.5	186.5	157.7	152.2
Total Liabilities	6.6	15.3	13.5	14.6	17.8
Current Ratio	0.74	1.47	1.32	1.1	1.5
Interest Cover Ratio	8.65	20.74	6.76	5.6	4.5
Debt/Equity Ratio	0.002	0.02	0.03	0.05	0.1

* Non-current assets were revalued at 1 January 2000.

our performance

overview of key result areas

marketing & trade development

objectives

1. identify and capitalise on new opportunities to expand trade.
2. review product mix to focus on core activities. Divest non-core activities.
3. revise port pricing policies to enable improvements to infrastructure, services and facilities.
4. develop promotional strategies to promote TPA as a pro-active, best practice port, offering high quality services and facilities.
5. consolidate and expand on existing trade.

as measured by

1. the maintenance and increase in trade.
2. cost effectiveness and commercial rates of return on TPA's core activities and customer satisfaction.
3. the acceptance of port users of the need to contribute to developments and service upgrades.
4. national and international recognition and corporate image of best practice port.
5. increase/decrease in customer satisfaction index.

achievements

- recorded 13th year of record trade growth with 8.5 million tonnes of cargo.
- logistics and shipping services strategies reviewed.
- internet site implemented.
- customer liaison enhanced.
- additional trade and development opportunities identified.

engineering

objectives

1. provide customers with relevant and appropriate berth infrastructure, facilities and services.
2. identify and focus on core activities and progressively shed non-core activities.
3. coordinate operation's activities with other TPA units to reflect the provision of a seamless range of service to our internal and external customers.

as measured by

1. the provision of services on time, to standard and within budget.
2. commercial rates of return, maintenance cost savings, productivity, waste reduction, benchmarking against other ports.
3. customer surveys, response time to enquiries.

achievements

- construction within the port proper of a new \$1.22 million Administration building.
- commencement of a \$255,000 upgrade to the Port Control Tower.
- significant pavement upgrades costing \$609,000 to wharf 3.

environment

objectives

1. improve public awareness and acceptance of environmental management initiatives and performance.
2. ensure all activities are undertaken in an environmentally sustainable manner.
3. provide accurate and timely advice and management initiatives to our internal and external customers.
4. develop and maintain an effective environmental management system for all port operations.
5. develop and maintain systems which ensure activities are compliant with environmental legislation.
6. maintain and develop environmental management programs to monitor performance with regard to the impacts on the receiving environment.

as measured by

1. increased participation in the Environmental Working Group, customer feedback, external recognition of initiatives.
2. number of environmental incidents associated with port activities, through environmental audits of port operations.
3. periodic customer surveys, customer feedback.
4. ISO 14001 certification audits.
5. annual legal risk assessments.
6. ability of the programs to determine changes in the receiving environment. Annual reviews of the port environmental GIS database.

achievements

- completion of stage 2 of international environmental standards certification.
- environmental and internal audits of the workshop and store.
- development and distribution of community awareness newsletter.
- oil spill contingency plan reviewed.
- development and implementation of environmental awareness training program.
- development of a major catchment management project to improve stormwater quality discharge from catchment activities.

human resources

objectives

1. maintain an internal culture that challenges and motivates employees.
2. encourage employees to develop and enhance their personal skill levels.
3. maintain an organisational structure that supports the Authority's corporate strategy.
4. ensure communication channels throughout the organisation are open, candid, informative and of benefit to employees across all levels and to customers alike.

5. maintain an effective security system for TPA and port users.
6. monitor the effectiveness and efficiency of the range of services provided.

as measured by

1. reduced turnover and absenteeism rates and by periodic formal and informal performance appraisals.
2. increased quality of output.
3. an accurate understanding of roles, responsibilities, authorities and internal reporting relationships.
4. employee awareness of the direction of the organisation and feedback aimed at increasing efficiency, productivity and customer satisfaction.
5. the efficiency of the system with respect to safety and security with minimal disturbance to operations, decrease in number of incidents, regular security surveys of port area.
6. increased customer satisfaction, utilisation of equipment and facilities, reduction in repair and replacement of equipment and infrastructure.

achievements

- negotiation of salary-based packages for maintenance employees.
- upgrade of employee appraisal system.
- negotiation with the AMOU resulted in an EBA for Port Services Officers.
- revised timing of salary reviews.
- 144 participants attended training courses.
- increase in productivity of maintenance employees through multi-skilling.
- installation of second camera on QCL silo.
- Challenger security system upgraded.
- provision of 1388 safe pilotage movements.
- implementation of electronic pilotage systems into Port Management System.
- renewal of pilot transfer service contract.

corporate services

objectives

1. effective and efficient handling of tenancy matters.
2. improve and update the records management system.
3. assess and implement an appropriate risk management plan.

as measured by

1. improvement in procedures for the processing of leases/licences/permits.
2. establishment of a record retention/destruction policy.
3. review of TPA's current position with respect to risk management and the development of a formal risk management policy.

achievements

- completion and implementation of Y2k project.
- conversion of all strategic vested land above high water mark to freehold title, and perpetual leases for the lands below high water mark.
- finalised tenancy arrangements with port customers.
- completion of risk assessment of operations.
- reviewed external contacts to assess gst implications for existing contracts and future contractual arrangements.
- training in records management and establishment of records management policy.

commercial services

objectives

1. review business processes to ensure commercial focus and practicality.
2. review financial and activity reporting processes for content and timeliness.
3. optimise TPA working capital requirements.
4. increase efficiency of I.T. systems.
5. monitor development of standard measuring systems for ports.
6. develop a competitive and comprehensive port pricing structure.
7. organise staff to be located at one office location.
8. finance major projects.

as measured by

1. monthly reporting processes and implementation of a formal job costing system.
2. incorporate key performance indicators into monthly reporting cycle.
3. increased collection activities.
4. migration of systems applications to a single operating system and lower cost software.
5. move to economical and mature systems.
6. modification of pricing practices to reduce reliance on key trades subsidising others.
7. the move to a new location.
8. financing meeting shareholder requirements.

achievements

- relocation of staff to new building.
- completion of a Port Pricing Study.
- renewal of insurance program.
- preparation of GST implications with systems and requirements by 1 July 2000.



our chair's review

'Of particular note in my year as Chairman, was the opening of the new Administration building, which saw the consolidation of operations from the city heart to the port environs. The move brings our workforce together and reflects our continued commitment to meet the needs of our customers.'

As our thirteenth year of consecutive record growth and the outcomes of the Port Impact Assessment Study demonstrate, the Port of Townsville faces a bright future.

To continue this trend, the port must remain vigilant to identify, create, pro-actively seek and embrace opportunities for continued growth and development.

townsville port optimisation and development study

The Authority finalised the Port Optimisation and Development Study in May 2000. The study is crucial to the port's long-term growth and in particular to the future provision of infrastructure and facilities.

Our current growth trend enables us to forecast and construct ahead of time the port's future infrastructure needs. This ensures the port can continue to attract new business and expand current business without disrupting port trade.

We are investigating the addition of an outer harbour berth as part of the Port Optimisation and Development Study. The additional exposed-water berth will make port planning and operations easier when dealing with bulk commodity vessels at an outer harbour wharf facility.

port development plan

In the upcoming year, the Authority will utilise the findings from the Port Optimisation and Development Study to update our Port Development Plan, a long term planning instrument for the port.

The Plan will be updated to include revised information relating to port planning initiatives.

port access study

The Port Access Study continued into its fourth year with the assessment team completing stages 3A and 3B of the process. Stage 3B is now under public consultation with comments expected next financial year.

The Eastern Transport Corridor will link the city's south eastern industrial node to the port and also provide an easement for oil and gas pipelines, electricity, conveyor systems and other services.

'The Corridor will provide the port with a guaranteed long term transport link well into the 21st century. At the same time, the Corridor will divert an anticipated increase in heavy vehicular traffic away from the city and suburbs.'

We believe the development of the Eastern Access Corridor is a priority for the region and the port. It will act

as a catalyst for industrial development, particularly in the Stuart industrial estate where direct road and rail access to the port may provide the impetus necessary for Sun Metals to proceed to Stage 2, particularly if base-load power is provided.

ocean terminal

With Townsville Enterprise Limited and the Department of State Development, we are working to construct an ocean terminal for Townsville.

Townsville Port is the main trade gateway for north Queensland and the benefits of constructing an ocean terminal include increased visitation, freeing up of commercial berths, possible base-porting of ships and vessels, and economic benefits to the wider community through increased regional spending by visitors.

commercial marina and boat ramp facility

We have initiated an internal assessment of a proposed new commercial marina as part of the Port Access Study. The marina will provide upriver clients affected by the Eastern Access Corridor an alternate purpose-built facility with both land and water frontage.

The construction of a new commercial marina at the mouth of Ross River will service the wide and diverse interests of marine services.

Such a facility, if financially viable, will incorporate a marina to boast a 1500 tonne slipway and a wide variety of shipping, boat and independent industries. Facilities will include fuelling, safe berthing, and a three metre swing basin (at lowest astronomical tide) to cater for substantial vessels off-tide.

An ideal base for Water Police, Customs and Coast Guard vessels, the marina will also offer existing port lessees, isolated by the construction of the Eastern Access Corridor low level bridge, an alternate mooring site.

Other benefits will include streamlining our efforts to ensure port users comply with current environmental laws, and providing residents of South Townsville with increased social amenity through the departure of heavy industry from their neighbourhood.

We are also considering an extensive boat ramp facility to be constructed adjacent to the commercial marina. The facility will provide four triple boat ramps, a floating pontoon for disabled anglers, sea wall fishing, wash down facilities, dry storage, as well as a retail outlet and carparking facilities.

The concept is currently under community consultation and being assessed by the port, government and industry, and if approved, will be developed over several years.



third sugar shed

During the year we viewed options for a third sugar shed capable of storing 400,000 tonnes of raw sugar, in conjunction with Townsville City Council, State Government, and the Townsville CBD Redevelopment Task Force.

We believe a third shed at the port is crucial to ensure the ongoing viability of the sugar industry in north Queensland and its ability to market sugar all year round. Over the next decade we expect sugar increases from 1.3 to 1.8 million tonnes, primarily from the Burdekin district.

While other sites have been considered, a site parallel to Archer Street is most likely, with work expected to commence in the 2000/2001 financial period.

buffer zone program

In a project that will see us hand back to the local community almost \$9 million dollars worth of port property, the Authority plans to create a 25-hectare zone as a buffer between port operations and the community of South Townsville. The planned development is the most extensive inner-city buffering project in Australia and we are investing heavily in its construction and maintenance.

The facility will provide walks and interpretive centres and serve to separate port operations from residents. The project, being designed in cooperation with Land Care and Townsville City Council among others, will ensure residents of South Townsville enjoy enhanced social amenity and likewise lessen the constraints on the port due to its location near residential properties.

2001 outlook

The future for the Port of Townsville is an exciting one.

Looking ahead we expect to see:

- the finalisation of the Eastern Access Corridor;
- the potential start of construction of the third sugar shed;
- the construction of the commercial marina;
- extensions to berth 10;
- the possible construction of berth 12; and,
- the redevelopment of the inner harbour

all of which offer a bright future to the port and will solidify its future operations.

I would like to take this opportunity to acknowledge the positive contributions over the past twelve months by my fellow Directors. Their drive and commitment is truly appreciated.

On behalf of the Board I also wish to record my appreciation to management and employees for their dedication and ongoing support. I thank them for their contribution to the outstanding achievement of our thirteenth year of consecutive record trade. This result is an outcome of which we are extremely proud.

Ron McLean Chairman



Minister for Transport and Main Roads, the honourable Steve Bredhauer congratulates Chairman Ron McLean on the opening of the new Administration Building.



our ceo's review

'This year we celebrate the thirteenth year of consecutive record trade growth. An important milestone to the port, with trade growth instrumental to continued industrial and economic growth in north Queensland.'

'Next year we will focus on a continued trend in trade growth and the establishment of joint developments with Government and private enterprise.'

During 1999/2000, we achieved yet another year of record-breaking growth, maintaining thirteen consecutive years of outstanding performance.

This period saw 8.5 million tonnes of cargo passing through the port, an increase of 4.6 per cent over the previous year. In addition, forecasts indicate an exceptional growth rate of 12 per cent is anticipated for the coming year with the inclusion of full year productions for Sun Metals Corporation (SMC) and Western Mining Corporation Fertilizers (WMCF). This will depend upon initial start up problems being experienced by WMCF being rectified early in the new period.

Due to the abnormal writedown of asset values, we have recorded a loss for the first time. Assets have been written down by \$58 million after application of the recoverable amount test.

The majority of the writedown (\$34 million) is associated with user funded BHP Minerals Pty Ltd's facility.

Operating revenue for the year was \$23 million, \$1.2 million higher than the previous year, a result of increased tonnages handled through the port. There were no increases in harbour dues or tonnage charges.

Operating expenses of \$21.7 million were \$3.8 million higher than last year due mainly to additional maintenance costs for dredging. Depreciation expense of \$6.4 million was higher than previous due to new assets and the revised useful remaining life of several assets.

Operating profit before abnormal items and income tax equivalents was \$1.26 million. Tax effect accounting has resulted in an income tax benefit of \$4.3 million. Income tax provision as at 30 June 2000 is \$1.04 million. Due to the abnormal asset writedowns and subsequent loss, there is no dividend provided for the 1999/2000 period.

Capital expenditure for the year was \$12.3 million. Cash flows from operating activities were \$8.4 million. Loan liability was reduced from \$3.4 million to \$361,000.

our customers

This year witnessed the commissioning of Sun Metals' operations and the achievement of rated capacity through efficient operations, resulting in slightly higher than anticipated zinc concentrate imports.

In addition, Western Mining Corporation Fertilizers commenced port operations, although they had not reached full capacity by the end of the reporting period due to a number of operational issues associated with the establishment of their ammonium plant. This dramatically stalled their development and instead of the anticipated 500,000 tonnes, the port received only 108,080 tonnes. Likewise the prospect of receiving anticipated tonnages for next financial year is unlikely.

As such, while we are very keen for SMC to proceed to Stage Two, there are several criteria that must be met prior. These include WMCF reaching their rated capacity, WMCF taking SMC's sulphuric acid content, the world zinc price improving, future arrangements for infrastructure development within the Eastern Access Corridor, and the establishment of a gas fired base-load power station in Townsville.

tropical cyclone tessi

Tropical Cyclone Tessi hit Townsville on 3 April creating \$1 million dollars in damage to the port, in the form of seawalls, some buildings and the disruption of power supply. Additional dredging was also required. We were fortunate to escape so lightly, and thankfully are insured for the majority of damage.

We were exceptionally well prepared for the cyclone with our emergency strategies and planning measures working effectively, ensuring the port was fully operational before, during and after the cyclone. I would like to congratulate all staff responsible for seeing us through this emergency.

tug strike

North Queensland Marine Towage experienced industrial action over manning levels on port tugs as part of wider national rotating rolling strikes in Australian ports. Although no trade was lost we did incur delays that affected both tug and line services.



Lin Taylor, Ron McLean and Executive Secretary, Michele Dunscombe.

economic benefits

During the year we conducted an assessment of the port's position in the economic community and its impacts and benefits to the local and wider community. The report reveals that the port and port-dependent operations provide 7,915 full time jobs or 10 per cent of employment in north Queensland, with \$322.5 million dollars generated in direct and indirect wages and salaries.

The port also demonstrated the enormous benefit it provides to the region, generating \$1.4 billion dollars in flow-on benefits, with an added value component of \$618.1 million dollars – 10.2 per cent of north Queensland's gross regional product.

Port trade was attributable for 77.7 per cent of total commodity exports from the north Queensland region in 98/99 and \$2.1 billion in value exports.

consolidation of operations

The Honourable Steve Bredhauer, Minister for Transport and Main Roads, formally opened the new \$1.22 million Administration Office building within the port proper on 21 March 2000.

Considered a positive move for the Authority, the building consolidates staff and resources into a single location, and is a significant step in our ongoing commitment to meeting the needs of our customers.

'The move to bring our workforce together reflects the professional management and operation of our port and, most importantly, brings us closer to our customers.'

In addition, extensive landscaping works have commenced with the building's construction and these will continue throughout the port.

east timor

I visited the Port of Dili in March 2000, witnessing first hand the devastation of the port and nation.

We now proudly sponsor two East Timorese students who attend the James Cook University English Language School. This training develops their English and computer skills to enhance their ability to contribute to their new nation.

The Authority supports the East Timorese people in their stoic and brave venture to independence and are pleased to support them in this venture.

defence agreement

The Authority entered negotiations with the Department of Defence and Patrick Stevedoring to extensively develop berth 10, including a 90 metre extension to allow the berth to take larger naval vessels and to effectively accommodate

vessels like those or similar to those currently using berths 3 and 4. Agreement is expected by August 2000 with construction due to begin within three months.

2001 outlook

We are very enthusiastic about the coming year and anticipate the port will continue to flourish, bringing yet another year of continuous record growth.

In my role as Chief Executive Officer, I will continue to steer the Authority and the Port of Townsville into a positive pro-development future, with the Authority taking a leading role in establishing joint developments with government and private enterprise.

This will be supported by internal restructuring to establish a marine services business unit which will see hydrographic survey, towage operators, port service operators, pilots and pilot transfer crew and other floating plant operations consolidated into a totally stand-alone commercial business unit.

I thank our customers, Board, management and staff for what has been a tremendous year for the port and look forward to their ongoing commitment.

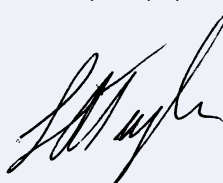
Of particular note is the dedication and service of Neil Butterworth, who worked at the port for 41 years, a remarkable achievement. I'm sure that everyone joins with me when I congratulate Neil and wish him an enjoyable retirement.

8 March 2000 saw the passing of Alan Ticehurst, a former Board member. Alan was a well known grazier in the Cloncurry district and was elected to the Board to represent the shires of Cloncurry, Winton and Boulia. He served on the Board from 1967 to 1979, again in 1982 to 1985 and from 1985 to 1987.

Alan was Deputy Mayor of Cloncurry Shire Council and had served on the council for over 30 years. Alan's service to the north west region was formally recognised in 1998 when he was awarded an Order of Australia Medal.

12 June 2000 saw the passing of Reg Tanna, General Manager of Gladstone Port Authority. Reg was General Manager since 1966 and was due to retire on August 18 after 34 years of service.

We are proud to have a posthumous tribute to Alan Ticehurst and Reg Tanna within this report. Our deepest sympathies go to both families.



Lin Taylor Chief Executive Officer

corporate governance

accountability of the board

The Board of Directors is accountable to the Minister for Transport and the Treasurer for the performance of Townsville Port Authority. The Authority is a Statutory Government Owned Corporation constituted on 1 July 1995 under the provisions of the Government Owned Corporations Act 1999 (GOC Act). Our operations are primarily governed under the Transport Infrastructure Act (1994) and the GOC Act. We are also a statutory body under the Statutory Bodies Financial Arrangements Act 1982 and the Financial Administration and Audit Act 1977.

The Board views itself as having responsibilities and accountability to its stakeholders – the users of the Port of Townsville. Regular consultation with these stakeholders occurs through a variety of mediums including the Port Advisory Body (PAB) and the Environmental Working Group (EWG).

appointment of directors

The Governor in Executive Council, pursuant to the Government Owned Corporations Act 1993 appoints our Directors. Directors' positions, including that of the Chair, were advertised before the commencement of the term. The Shareholding Ministers reviewed applications with a recommendation made to the Premier.

The Board is comprised of nine Directors. All Directors are Non-Executive Directors - three with experience in legal practices, two with wider commercial experience, one with industrial relations experience, an independent chair, also with wider commercial experience, the Mayor of the City of Townsville and the Regional Harbour Master who is an Ex-Officio Director.

role of the board

Our Board of Directors are responsible for the corporate governance of the Authority. The Board's main responsibilities include:

- the determination of the strategic direction, and the setting, monitoring and assessment of the performance of management against strategic goals;
- approving policies, plans, performance targets and budgets; and,
- monitoring policies, procedures and internal controls to manage risk - both financial and business.

The Authority's main planning and control mechanisms are the Corporate Plan, the Statement of Corporate Intent and the Annual Report. Our Board, at monthly meetings, address corporate governance issues and utilises reports from the Audit Committee to assist in full Board determinations.

Our corporate governance policies and practices ensure that the Authority acts ethically, within applicable law and addresses issues relating to internal controls and the management of business, financial and operational risk.

The Authority's corporate governance also works to ensure that appropriate policies and processes are in place for performance review, career and succession planning, and education and training.



Chairman, Ron McLean presents the Regional Harbour Master, Captain Ian Wood with a retirement gift.

board meetings

The Board usually meets for half a day monthly with the exception of January. This year, Directors met as a full Board on eleven occasions. In addition, Directors met on five occasions for Special Meetings.

It is the Board's policy to meet at least once per annum in Mount Isa, as port customers in this region account for a significant proportion of port trade, both in terms of tonnage throughput and in dollar value. Holding the meeting in Mount Isa also provides the Board with the opportunity to visit our customers and obtain an appreciation of the scale and nature of their activities. Due to exceptional circumstances, the Board did not make the visit within this financial year.

Directors also participate in marketing and trade-related visits.

terms of board

The current term for Directors commenced on 1 July 1999. Four Directors, Messrs McLean, Bragg, Mooney and Keating were appointed for a four year term whilst Messrs Pagani, Greenwood, Gleeson and Baxter were appointed for a two year term.

conflicts of interest

The Government Owned Corporations Act requires Directors with a material personal interest in any matter to be excluded from and not to vote in relation to that matter. Directors declare their interest in a matter and leave the meeting whilst the matter is being discussed.

remuneration for senior executives and directors

emoluments of executive officers*

	Base Salary	Employer Super	Other Benefits (includes vehicle)	Total Emoluments
Chief Executive Officer	126846	17361	17992	162199†
Deputy Chief Executive Officer	81624	11791	15006	108421
Manager Human Resources Business Unit	77232	4676	21095	103003
Manager Engineering Business Unit	74482	5214	693	80389
Finance Manager	70795	10039	7631	88465

* Based on actual figures as at 30 June 2000.

† CEO may also earn performance based at risk incentive bonus which is not shown in this table.

emoluments of directors*

	Directors Fees	Committee Fees	Employer Super	Total Emoluments
R.G. McLean	22000	0	1540	23540
B.K. Keating	10000	0	700	10700
T.P. Baxter	10000	0	700	10700
A.J. Mooney	10000	0	700	10700
M.J. Bragg	10000	0	700	10700
M.E. Pagani	10000	0	700	10700
T. Greenwood	10000	0	700	10700
J.M. Gleeson	10000	0	700	10700

* Based on actual figures as at 30 June 2000.

audit committee

The audit committee acts as an advisory service to the Board to assist in the effective discharge of the responsibilities prescribed in the Financial Administration and Audit Act 1977, the Financial Management Standard 1997, and other relevant legislation and prescribed requirements.

The audit committee's core duties are to:

- Assess and contribute to the audit planning processes relating to the risks and threats to the Authority, taking into account the financial and operating environment in which it operates and its performance management framework;
- Assess and enhance the Authority's corporate governance, including its systems of internal control and the internal audit function;
- Evaluate the quality of, and facilitate the practical discharge of the internal audit function, particularly in respect of planning, monitoring and reporting; and,
- Through the internal audit function, oversee and appraise the Authority's financial and operational reporting process.

Members of the audit committee were Directors Terry Baxter (Chair) and Mark Bragg. The Chief Executive Officer, Deputy Chief Executive Officer and Finance Manager assisted the committee in its deliberations. The committee met on three (3) occasions during 1999/2000, being 6 October 1999, 28 January 2000 and 11 April 2000.

A number of internal audit reports prepared by internal auditors PricewaterhouseCoopers were considered, including revenue, accounts payable, purchasing, payroll, fixed assets, capital works, update on I.T. issues, and contract management. The committee also has ISO 9001 Quality Assurance audits included on the agenda and will be monitoring action on a risk assessment report recently commissioned.

The internal auditor cooperates fully with the Auditor-General's authorised officers.

managing risk

The Authority is committed to managing its exposure to significant business risk and has policies and procedures in place for areas covering financial risk, crisis management, health and safety and environment.

In the coming year the Authority will be updating its risk management processes following completion of a Risk Management Assessment undertaken by Risk Management Australia.

year 2000 bug

Measures taken by the Authority in relation to the potential risk associated with the Y2k issue proved successful. The Authority recorded no business interruptions as a result of the new millennium change over.

code of conduct

The Authority requires that all management and staff act in accordance with the following fundamental principles whilst carrying out their duties:

Integrity, professionalism, honesty, ethical behaviour, safe work practices, and confidentiality.

The Code of Conduct also stipulates minimum standards in relation to the interaction between employees and others.

quality assurance

The triennial audit undertaken by SGS Certification Services Pty Ltd highlighted a number of major non-conformances within the Authority's Quality Assurance System resulting in the Authority's continued certification pursuant to ISO 9001 being withheld until the non-conformances were downgraded.

The majority of the non-conformances related to fundamental issues within the system including document control, management responsibility, corrective action and internal audit.

Subsequent to receiving the audit report, the Authority has taken decisive steps to rectify the issues raised. This has included management training in the area of quality audit as well as regular management meetings to formally adopt and implement performance targets and measures.

Feedback from the auditors indicates that the approach taken by the Authority will remedy the matters raised and add significantly to the way the Authority does business.

board director attendance

	ordinary board meetings		special board meetings	
	eligible to attend	attended	eligible to attend	attended
Ron McLean	11	11	5	4
Beth Keating	11	10	5	5
Terrence Baxter	11	11	5	2
Mark Bragg	11	11	5	4
Jennifer Gleeson	11	11	5	5
Tom Greenwood	11	11	5	4
Tony Mooney	11	8	5	3
Marjorie Pagani	11	10	5	2
Ex-Officio Director*				
Captain Ian Wood	11	10	0	0

* Captain Wood resigned on 11 August 2000.
Captain Tony Caldwell is Acting Regional Harbour Master, effective from this date.

our board

Ron McLean, Chairman

Chairman appointed 1 July 1999. Ron is retired Managing Director of News Limited after 37 years in the print industry.

He is a member of Reef League Pty Ltd, Cowboys Rugby League Football Limited, Cowboys League Club Limited and the Cowboys Young Guns Pty Ltd. He is Chairman of the Cowboys Community Foundation Fund. Age 64 years.

Beth Keating, Deputy Chairperson

Deputy Chairperson appointed 1 July 1999. Beth is a Director of The Consulting Company and a senior consultant with Keating Consultancies.

Beth has extensive knowledge of the business and community sectors in Townsville and has wide public and private sector experience in human resources and employee relations including employment counselling, disability and mental health sectors. She is a member of the Australian Institute of Company Directors and the Equal Opportunity Practitioner's Association. Age 43 years.

Terrence Baxter, Director

Director appointed 1 July 1999. Terry is a Partner of the firm Ruddy, Tomlins and Baxter practicing in commercial law and litigation. Age 51 years.

Mark Bragg, Director

Director appointed 1 July 1999. Mark has 23 years experience in professional sport. He is Director of Teambragg P/L and Director of the Leadership Academy. He is currently President of the James Cook University Sports Foundation. Age 44 years.

Jennifer Gleeson, Director

Director appointed 1 July 1999. Jenny is an Associate for Lee Turnbull & Co. She deals in a broad range of areas of law, including commercial litigation, leasing and industrial relations.

She is a Graduate Member of the Australian Institute of Company Directors, tutor at James Cook University and volunteer lawyer for the North Queensland Women's Legal Service and Townsville Community Legal Service. Age 31 years.

Tom Greenwood, Director

Director appointed 1 July 1999. Tom has wide experience in mine management and industrial relations. He is a Board Member of Townsville Welfare Council Inc, Chairperson of the Thuringowa Community Development Council Inc. and Chairperson and Committee Member of the Upper Ross Community Centre Inc. Age 65 years.

Tony Mooney, Director

Director appointed 1 July 1999. Tony has 21 years experience in local government and serves in senior positions on local authority boards within Australia and overseas. He has been Mayor of the City of Townsville since 1989.

He is President of the Asia Pacific Congress of Municipalities and President of the Urban Local Government Association of Queensland. He is a Council representative on the Townsville Thuringowa Water Supply Board, the Pandora Foundation and Townsville Enterprise Limited. He is Board Chairman of both the Townsville Breakwater Entertainment Centre Joint Venture and the Willows Sporting Complex Joint Venture. Cr Mooney is a life member of a number of organisations and patron of a wide range of sporting and community groups. Age 46 years.

Marjorie Pagani, Director

Director appointed 1 July 1999. Marjorie is a Barrister, Squadron Leader - RAAF Specialist Reserve Legal Corps and a Member of the Anti-Discrimination Tribunal Queensland. She is President of the Townsville Regional Community Corrections (Parole) Board.

She is a certified mediator, conciliator and arbitrator, and has served as a Member on many business and community organisations. Age 48 years.

Captain Ian Wood, Ex-Officio Director

Captain Wood commenced his seagoing career in 1962. In 1984 he became a Marine Pilot in Gladstone and was then appointed as Harbour Master in the ports of Thursday Island, Weipa and Bowen. He was appointed to Townsville as Senior Marine Pilot in 1992.

He was Acting Regional Harbour Master from February 1998 to August 1999. He was appointed Regional Harbour Master on 1 September 1999. Captain Wood resigned on 11 August 2000.

Captain Tony Caldwell, Ex-Officio Director

Captain Caldwell was formally Master with Howard Smith Shipping and Stolt Tankers. He was appointed Acting Regional Harbour Master on 11 August 2000 when Captain Wood retired.

He is a member of the Queensland Transport Maritime Program Management Committee which is responsible for maritime safety and service delivery in Queensland. Age 48 years.

L-R Mark Bragg, Tony Mooney, Tom Greenwood, Beth Keating, Ron McLean, Jenny Gleeson, Captain Ian Wood, Marjorie Pagani, Terry Baxter - inside WMCF's 90,000 tonne capacity fertiliser storage shed.



our people



Long service recognitions

Above L-R:

1. Ces Denham and Larry Hore.

2. Operator/Labourer, Jeff Aitkenhead, Operator/Labourer, Felix Kuliani, Hydrographic Surveyor, Mick Fitzpatrick, Retiree, Neil Butterworth and Planning & Estimating Officer, Bob King.

3. Mal Finn, Warren Walsh and Larry Hore.

Below L-R:

Bob King, Russ Caldwell, Trevor Beasley, Dave King, Eboda Kanai, Greg Macdonald and Gillian Sharp.



management team

chief executive officer

to be appointed

acting chief executive officer

Martin Norman

Provides assistance to the Chief Executive Officer with internal and external organisations. Other responsibilities include the day-to-day operational requirements of the port and management of the information technology section.

manager engineering business unit

Larry Hore

Capital and contract works, project management, dredging and reclamation, maintenance works.

manager human resources business unit

Greg Sentinella

Industrial relations, training, human resource management.

corporate services manager

Susan Carrington

Land tenure arrangements, legal advice and services, records management, secretariat.

development works manager

Jason Mahlberg

Engineering drafting, design support, hydrographic surveying services, workplace health & safety.

environmental services manager

Caryn Anderson

Environmental management of port operations and compliance with environmental legislation.

finance manager

John Sherriff

Shipping statistics, accounting and taxation, supply, payroll, insurance management.

port services manager

Dave King

Port control, dangerous goods management, security of port infrastructure and small boat harbours, pilotage services.

trade development manager

Darrin Pearce

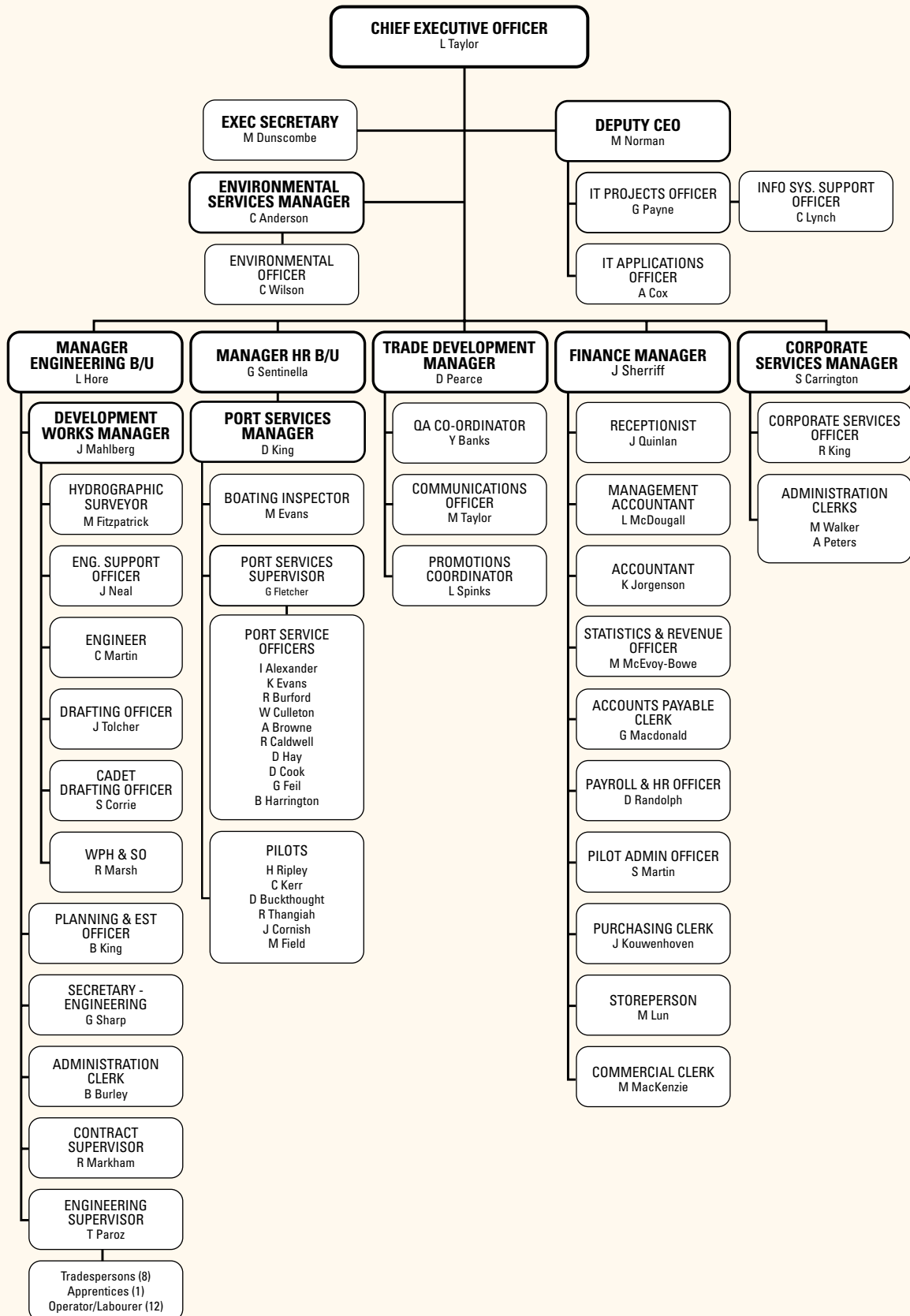
Identification and development of new and existing trade opportunities, market research, customer liaison, public relations, promotions and communications, business management systems.



Townsville Port Authority's Management team.

Standing L-R: Larry Hore, Martin Norman, Greg Sentinella, Dave King and Jason Mahlberg. Seated L-R: Darrin Pearce, Caryn Anderson, Lin Taylor, Susan Carrington and John Sherriff.

our structure



our achievements



Above: Delegates at the AAPMA Council Meeting hosted by Townsville Port Authority.

Vietnam Mission for live cattle exports.

marketing and trade development

objectives

- Identify and capitalise on new opportunities to expand trade through the port.
- Review product mix to focus on core activities. Divest non-core activities.
- Revise port pricing policies to enable improvements to infrastructure, services and facilities. Consult with port users about any changes to port charges.
- Develop promotional strategies to promote the Authority as a pro-active, best practice port, offering high quality services and facilities.
- Consolidate and expand on existing trade through the port.

achievements

- Recorded record trade throughput for the 13th consecutive year with more than 8.5 million tonnes of cargo moving through the port.
- Logistics and shipping services strategies reviewed.
- Internet site implemented.
- Customer liaison enhanced.
- Additional trade and development opportunities identified.

trade growth

Total trade for the year was 8,521,277, an increase of 4.6% from last year. Since 1986/87 trade throughput has increased by over 370%. Imports rose by 1.3% and exports increased by some 9.5%.

Whilst the Authority is pleased to continue achieving record throughput tonnage, the final figures are some 9.7% below budget.

predominant causes include

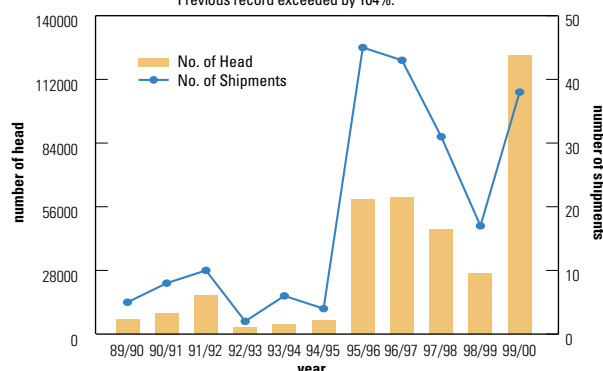
- The later than expected start up of WMC Fertilizer exports. WMC exports for the period were 108,080 against a budgeted 500,000 tonnes.
- The diversion of increased amounts of copper concentrates to the Mount Isa Smelter by MIM Ltd. Copper concentrate exports finished some 32% below forecast as a result whilst refined copper exports increased by 62%.
- Sugar exports were also below budgeted levels primarily due to low prices and poor cane growing conditions.

The live cattle trade established a new port record during the year with more than 122,338 head being exported through the port. The previous record of 60,054 head was set in 1996/97, prior to the Asian economic crisis.

This record was achieved in some 38 shipments, primarily due to three shipments to the Middle East which exceeded 14,000 head per shipment aboard the 'Danny F II'. Utilising simultaneous loading via road and rail, rates of up to 416 head per hour were achieved, making this one of the most efficient operations within Australia.

Again the Authority has worked closely with industry groups raising the awareness of the advantages of utilising the Port of Townsville for live cattle exports. The Authority will continue to liaise with industry participants, particularly in relation to potential market expansion programs in the year ahead.

live cattle exports 1989/90 - 1999/00
Previous record exceeded by 104%.



shipping activity

The port received 651 cargo vessels during the year with a total Gross Registered Tonnage of over 10 million tons.

During the period a total of 90 vessels were required to queue for a berth due to a berth being occupied. The total time vessels were queued was 101.5 days. This represents a significant increase over last year where a total of 51 vessels were required to queue for a total of 59.6 days.

The Authority is concerned at this increase. Data analysis suggests that the interchange of various cargo types across some of the Authority's wharves is having a negative impact on vessel queuing.



Professor Paul Ryder, Executive Dean, Faculty of Arts, Law & Business, presenting the Townsville Port Authority prize in Commerce & Economics to Kirsty Clancy and presenting the Townsville Port Authority prize in Tourism to Belinda Tenni.

Presentation of World record plaque with Brian Adams, Adsteam; Lin Taylor; Yang Gen-Hwang, Captain - First Steamship Co. Ltd; and Bill Dunstan, Bulk Sugar Terminal.

The Authority is in the process of evaluating appropriate strategies, in consultation with impacted port customers, to alleviate this issue.

container traffic

A concerted effort to increase container volume through our port has been undertaken over the past twelve months. John Swire and Sons introduced a new fast transit service to Townsville from South East Asia in April this year. This service significantly reduces transit times between Singapore and Townsville and is the southbound leg of the NGPL northbound service into South East Asia.

This year more than 22,328 TEU's moved across the Authority's wharves with a total tonnage in excess of 270,000 tonnes. This compares favourably with last year where 19,903 TEU's were recorded with a tonnage of 243,000 tonnes.

This year's figure may well be inflated due to the positive impact of major construction projects such as the Sun Metals Refinery and WMC's High Analysis Fertiliser Project.

During the upcoming year the Authority will continue to work with shipping service providers to refine strategies aimed at increasing container traffic into our port.

customer liaison

The Authority utilised the results of the 1998/99 customer survey in formulating appropriate strategies for keeping our customers informed in relation to port development proposals, and in relation to the efficiency of the port.

A communications forum, namely the Port Advisory Body (PAB), meets quarterly and is made up of port customers, tenants, service providers and shipping agents.

Together with impacted customers, the Authority formed an Issues Working Group (IWG), a sub-committee of the PAB, to further investigate port efficiency issues. The IWG has undertaken two major proposals:

- A benchmarking study with regard to port related charges; and,
- An analysis of port utilisation having regard to towage restrictions and berth utilisation.

The benchmarking study, a comparison between Townsville Port and other similar ports in terms of cargo type and tonnage, indicated that the Port of Townsville is very competitive in relation to ship-related charges. The

port ranked in the top half of surveyed ports in relation to cargo-related charges.

This information has provided our customers with a degree of confidence that charges at the Port of Townsville are competitive when compared against a large selection of ports of a similar structure.

The second study was initiated by our customers who were becoming increasingly concerned that restrictive conditions associated with services provided by the port's towage operator, were negatively impacting upon their operations from an efficiency perspective.

Whilst the IWG was unsuccessful in gaining any concessions in relation to the matter from the towage company, the Authority agreed to implement a system where vessels would be allowed to enter the port up to twelve hours before cargo operations commenced. This allows vessels to take advantage of tidal windows as well as pilotage and tug provision. To date the system has proven to be extremely successful with a number of the port's customers taking advantage of the provision.

The Authority will continue to work with our customers and may further refine the system during the year ahead.

overseas travel

The Authority actively and strategically promotes the port and region to the world - particularly Asia - jointly with Townsville City Council (TCC), Townsville Enterprise Limited (TEL), Townsville Chamber of Commerce (TCC), Department of State Development (DSD) and private enterprise.

This is achieved through overseas trips including reciprocal Sister City travel. Our Sister Cities are Port Moresby - PNG, Suwon City - Korea, Changshu - China, Tokuyama and Iwaki cities - Japan. We visited two Sister Cities in 1999/2000, keeping up our Sister City obligations both home and abroad. The visits better instil into major receivers of Australian exports the benefits of operating through the Port of Townsville.

In addition, in our commitment to establish and maintain strategic overseas relations, Authority personnel attended Marintec China '99, 30 November - 3 December 1999 and Singaport 2000, 29 March - 31 March 2000.

Marintec China '99 attracted 440 exhibition stands with 36,000 visitors over four days with visitors seeking market and product information, consolidating trade contacts,

suppliers and new technology, as well as those seeking new joint venture partners.

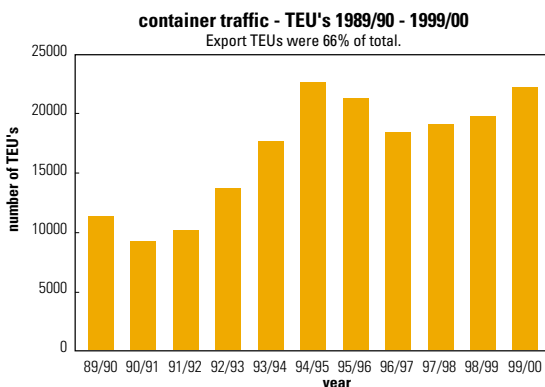
Singapore 2000 saw more than 490 exhibitors participating, ranging from equipment and technology providers to port managers.

major donations

The Authority continued its commitment and support of the Townsville community through its ongoing financial support to non-profit organisations.

The Annual Charity Golf Day was again a great success, raising \$9,300 for the Royal Flying Doctor Service. Other major donations included \$35,000 to the Volunteer Coast Guard and annual contributions to the Salvation Army and Saint Vincent De Paul, as well as the alternate provision of emergency supplies to these charities.

The Authority also continued its contribution obligations to TEL, the Maritime Museum in Palmer Street and the Pandora Foundation. It was pleasing to see our contribution to the Pandora Foundation reaped significant benefits for the opening ceremony of the Museum of Tropical Queensland, with the Authority donating \$7,000 for the laser light show.

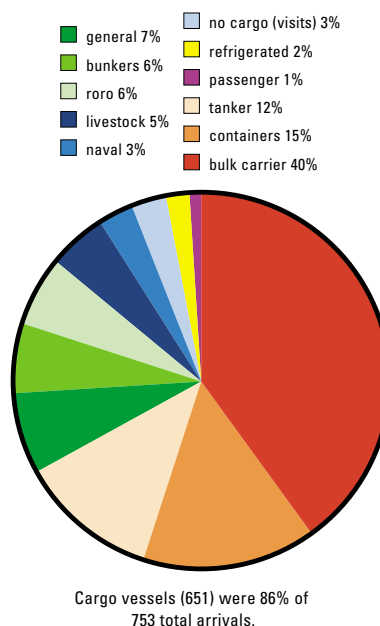


conferences

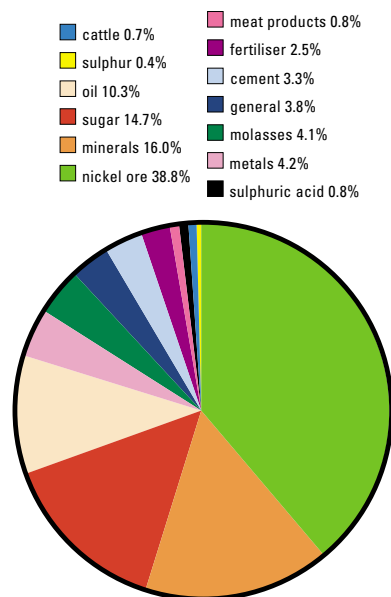
During the year representatives from the Authority attended and presented papers at a number of conferences focussing on the Port of Townsville, its developments and the Townsville region.

We also hosted the Association of Australian Ports and Marine Authorities' Incorporated (AAPMA) Council Meeting and AGM on 28-29 October 1999. The Townsville meeting was the first occasion when the AAPMA combined the two, and it was the most successful AAPMA meeting ever with 36 delegates in attendance. We would like to thank all of our guest speakers and sponsors for their assistance in making this event possible.

vessel calls 1999/2000



total trade by commodity 1999/2000



New trade including zinc concentrate imports (Sun Metals), high analysis fertiliser (WMCF) and zinc ingots (Sun Metals).



summary of imports - tonnes 1992 - 2000

	1992	1993	1994	1995	1996	1997	1998	1999	2000
GENERAL	36,598	46,248	72,873	106,292	71,768	66,360	90,684	116,477	123,846
OIL									
General Purpose	716,323	748,919	786,140	892,980	842,865	878,633	915,821	872,671	857,930
Liquid Gas	19,355	23,926	24,186	21,608	19,445	18,013	21,045	19,978	19,781
	735,678	772,845	810,326	914,588	862,310	896,646	936,866	892,649	877,711
FERTILISER									
Bulk	1,016	-	18,020	48,058	75,604	80,262	129,898	94,631	105,130
NICKEL ORE	2,303,687	2,572,571	2,952,403	2,927,383	3,017,977	3,429,445	3,224,442	3,439,217	3,309,831
GYPSUM	14,133	5,761	-	-	-	-	-	-	-
STEEL PIPE	-	-	-	-	-	22,176	-	-	-
ZINC CONCENTRATES	-	-	-	-	-	-	-	-	183,898
COPPER CONCENTRATES	-	11,185	-	10,896	-	-	-	-	-
SULPHUR	-	-	-	-	-	-	-	7,010	34,151
CEMENT	-	-	166,440	303,335	274,662	266,536	273,698	290,210	279,660
SULPHURIC ACID	-	-	-	-	9,461	28,479	29,314	16,035	3,001
TOTAL (Mass Tonnes)	3,091,112	3,408,610	4,020,062	4,310,552	4,311,782	4,789,904	4,684,902	4,856,229	4,917,228

summary of exports - tonnes 1992 - 2000

	1992	1993	1994	1995	1996	1997	1998	1999	2000
GENERAL	99,566	115,113	143,016	150,997	189,508	145,530	167,583	163,644	165,895
MEAT & ASSOCIATED PRODUCTS									
Frozen	15,664	23,576	31,790	41,179	24,891	15,480	17,437	34,663	40,542
Hides	1,173	1,571	1,671	4,623	1,387	2,075	944	669	125
Tallow	11,340	9,953	7,512	10,488	10,744	8,286	10,882	24,490	11,250
By-Products	8,806	3,774	3,057	2,358	11,912	13,704	12,683	11,864	13,134
	36,983	38,874	44,030	58,648	48,934	39,545	41,946	71,686	65,051
MINERALS									
Refined Copper	123,144	122,191	142,768	85,732	72,731	76,732	71,931	102,916	161,926
Concentrates:									
Copper	53,780	47,365	75,419	106,504	266,107	362,224	494,924	693,085	475,756
Zinc	458,161	457,615	661,692	418,451	495,092	450,739	402,365	453,801	389,042
LGM	181,565	129,921	151,227	85,545	69,539	20,301	-	-	-
Lead	14,803	22,083	21,228	26,269	22,047	21,444	112,001	245,801	296,398
Copper Ore	-	-	-	-	-	-	-	39,964	20,091
Lead Ingots	182,793	210,466	187,609	155,982	156,599	161,916	147,499	130,829	135,562
Zinc Ingots	-	-	-	-	-	-	-	-	44,851
Nickel	21,812	23,247	28,176	29,008	22,402	11,637	11,439	18,850	11,350
	1,036,058	1,012,888	1,268,119	907,491	1,104,517	1,104,993	1,240,159	1,685,246	1,534,976
HIGH ANALYSIS FERTILISER	-	-	-	-	-	-	-	-	108,080
SULPHURIC ACID	-	-	-	-	-	-	-	-	65,392
MOLASSES	81,929	196,441	129,097	222,093	332,104	354,749	321,941	306,371	348,593
SUGAR	570,810	895,513	950,818	1,003,073	1,098,822	1,124,599	1,281,994	1,051,428	1,254,893
CATTLE	(16,986 head)	(2,870 head)	(4,128 head)	(5,806 head)	(59,264 head)	(60,054 head)	(46,130 head)	(28,416 head)	(122,338 head)
	8,493	1,435	2,064	2,903	29,632	30,027	23,065	14,208	61,169
LIVE SHEEP	-	-	(200 Head)	-	(80 Head)	-	-	-	-
	-	-	10	-	4	-	-	-	-
TOTAL (Mass Tonnes)	1,833,839	2,260,264	2,537,154	2,345,205	2,803,521	2,799,443	3,076,688	3,292,583	3,604,049

total throughput - tonnes 1992 - 2000

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Tonnages (Mass Tonnes)	4,924,951	5,668,874	6,557,216	6,655,757	7,115,303	7,589,347	7,761,590	8,148,812	8,521,277

shipping information 1992 - 2000 Only vessels over 200 tons included

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Cargo Vessels	376	463	523	585	633	623	653	624	651
Gross Tonnage	5,381,454	6,668,539	7,392,834	7,889,576	8,351,985	8,609,140	9,401,354	9,865,591	10,149,228
Passenger Vessels	12	9	14	11	7	2	6	13	9
Gross Tonnage	151,238	116,626	226,490	197,487	144,345	36,293	93,381	181,619	188,337
Naval Vessels	68	59	46	41	49	48	30	29	24
No GRT Recorded	-	-	-	-	-	-	-	-	-
Bunkers	1	2	2	8	5	1	2	50	48
Gross Tonnage	21,619	2,282	55,477	58,365	93,075	10,511	3,544	18,300	36,426
Other Vessels	47	45	28	33	26	29	25	13	21
Gross Tonnage	37,312	26,530	9,129	10,953	38,045	18,702	36,438	19,417	77,391
Total No. of Vessels	504	578	613	678	720	703	716	729	753
Total Gross Tonnage	5,591,623	6,813,977	7,683,930	8,156,381	8,627,450	8,674,646	9,534,717	10,084,927	10,451,382

cargo records 1976 - 2000

Date	Vessel	Record
Imports	26-Jun-97	Maersk Taurus
Exports	6-Oct-99	Ever Mighty
Deepest Draft Vessel	26-Jun-97	Maersk Taurus
Longest Vessel	19-Jun-89	Taiko
Highest D.W.T. Tonnage	26-Mar-76	Capetan Carras
Widest Beam	12-May-81	Tokurasan Maru
		discharged 66,804 tonnes of Nickel Ore
		loaded 63,000 tonnes of Raw Sugar - World Record Shipment for Sugar
		13.05 metres loaded with 66,804 tonnes of Nickel Ore
		262.08 metres
		85,108 tonnes
		37.57 metres



Cameron Metcalfe - Operator/Labourer.



Scott Ingham - Tradesman.



Pile maintenance works.

engineering

objectives

- Provide strategic infrastructure in a timely and cost effective manner through capital investment and ongoing maintenance.
- Strengthen the acceptance and feasibility of a workforce made up of a skilled and trained in-house team and external contractors, to ensure core activities, as well as peak and specialist tasks, are met.
- Provide services such as power, water, sewage and lighting throughout the port by undertaking new works and upgrading old infrastructure as required.

achievements

- Construction within the port proper of a new \$1.22 million Administration Office building, to centralise staff and maximise efficiency.
- Commencement of a \$255,000 upgrade of the Port Control Tower to bring the structure in line with current wind and building codes.
- Significant pavement upgrades costing \$609,000 at the busy wharf 3 to meet predicted future traffic needs.

looking ahead

For the coming year we will meet our objectives by carrying out capital and maintenance works in a manner that is cost effective and beneficial to all stakeholders. Some of the more significant projects include the following:

capital works

- Additional breasting and mooring dolphins at Berth 10 costing \$1.2 million, to accommodate current and future Royal Australian Navy needs.
- Replace TPA workboat 'Arthur Titley' with a more versatile and powerful vessel to provide a more flexible operational response.
- Upgrade fenders on wharves 2 and 3 to reduce maintenance. This will further reduce disruptions to shipping.
- Construct a heavy vehicle overpass to allow improved operational and emergency access over the rail balloon loop.

maintenance works

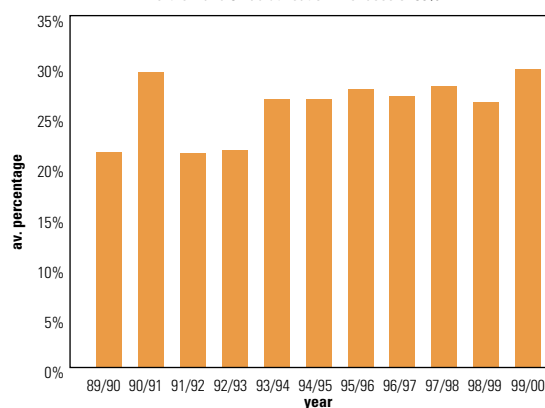
- Upgrade wharf 3 by removing timber decking at a cost of \$500,000 to allow safer access for future maintenance.
- Repairs to concrete piles and soffit at wharves 1, 8 and 9 to streamline ongoing shipping operations.
- Progressive upgrade of water meters and cathodic protection on all wharves to prevent corrosion, costing \$300,000 over ten years.
- Commencement of a \$6 million dollar upgrade and maintenance project to port amenities and infrastructure including installation of new navigation aids and small boat facilities.

During the past year, our engineering department significantly reduced the amount of unplanned maintenance works occurring within the port. In addition, all scheduled maintenance works have been achieved on time and within budget, culminating in the most successful period on record for consistent goal achievement and demonstrating best practice planning and management of port maintenance.

dredging

Because the port is located in a heavily silted shallow bay, dredging is critical. TPA has successfully continued dredging works in the inner and outer harbours of the port, disposing of more than 500,000 cubic metres of silt last year to maintain efficient shipping operations. This work extends through 15km of approach channel.

average berth occupancy 1989/90 - 1999/00
Berths 2 and 3 had utilisation in excess of 50%.



Time based on first line on, last line off.



Mayne Lun, Storeman
and Verity Mears,
Apprentice Fitter.

Rob Daly, Drafting
Officer (seated) and
Ron Marsh, WPH&SO.



John Kouwenhoven,
Purchasing Officer
(standing) and
Mayne Lun,
Storeman.



Bob Morris and Cameron
Metcalf, Operator/Labourers.



Tony Paroz, Engineering
Supervisor (standing), Bob King,
Planning and Estimating Officer
and John Neal, Engineering
Support Officer.



workplace health and safety

objectives

Maintain an efficient public safety system for Townsville Port Authority, its customers, and contractors.

The efficiency of this system will be measured by the minimal disturbance of port operations, decrease in the number of safety incidents and regular safety surveys of the port area.

achievements

This year has been one of continuous workplace health and safety improvement for the port.

- Risk assessments and job analyses are now incorporated into employee job planning to ensure work is conducted safely.
- Closer liaison established between port users, operators, managers and Port Safety Officers.
- Completed 350 port safety inductions for visitors and port workers during the 1999/2000 period.
- Development of a site induction video for the port.
- Introduction of a new principal Workplace Health and Safety policy statement.

looking ahead

The Authority will:

- Continue to provide workplace health and safety training.
- Continue to cooperate with port users on safety issues.
- Maintain and improve operations to ensure port users, visitors, contractors and others that use the port do so in compliance with the Queensland Workplace Health and Safety Act.
- Continue involvement in employee injury rehabilitation using the framework and guidelines of TPA's Rehabilitation Policy.
- Audit port buildings to ensure they comply with Queensland Workplace Health and Safety legislation.
- Continue to view workplace health and safety as integral to all plans and strategies for the port.

workplace health and safety policy statement

A new principal policy statement for workplace health and safety expresses the Authority's goals, and encourages support from the organisation at all levels to achieve and maintain a safe and healthy workplace.

The overall objective of the Policy is to encourage a pro-active approach to the prevention of work-related illness or injury.

port training

Port employees are provided with the best possible training in workplace health and safety, including:

- First aid courses
- Training and assessment for prescribed occupations
- Traffic controller training
- Fire extinguisher operation
- Emergency evacuation drills
- Trackside (railway) safety
- Revision and introduction of emergency procedures

statistics

Lost time injury frequency rate	16.6
Average time lost rate	53.5 days
Incidence rate	5.3

Lost time injury frequency rate compared to the previous two periods.

1997/1998	6.76
1998/1999	12.80
1999/2000	16.60

Lost time injury frequency rate has risen over the past three periods due to one injury in each of the last two periods resulting in 71 and 186 lost working days respectively. This rise fails to reflect the continuing improvement in the number of reported incidents for the last three periods.

Recorded incidents over last three periods

1997/1998	28
1998/1999	12
1999/2000	7

workcover claims

- WorkCover claims by employees have fallen from five in 1997/1998 to two for 1998/1999 and three for 1999/2000. These are well below the industry and State averages.
- Average claim duration was also well below industry and State averages until 1999/2000 when a single claim accounted for 186 lost days.
- Accordingly, claim costs for 1999/2000 reflected a similar rise when compared to costs for the previous two years.

management of rehabilitation

Unfortunately one employee was seriously injured at work during October 1999. This employee has participated in a graduated return to work program that commenced in February 2000. By June 2000, the employee was able to return to normal work hours, limited to suitable duties. This case is ongoing into the 2000/2001 period.

By being involved in the rehabilitation process, our Rehabilitation Policy has provided the framework and guidelines for the management of this and other employees' work claims.

This entails coordinating the involvement of management, Qld WorkCover, rehabilitation consultants, the employee, and the employee's doctor.

Jason Mahlberg, Development Works Manager (standing) and Ross Markham, Contract Supervisor.



Townsville Port Authority works to achieve an outcome which will lessen the stress and financial burden to the injured worker and the worker's family, while minimising costs to the Authority.

incident/accident statistics for the period – 1 July 1999 to 30 June 2000

Number of employees (excluding temporary)	82
Number of hours worked	240821
Number of lost time incidents	4
Number of no lost time incidents reported	3
Number of near miss/dangerous events reported	1
Total number of incidents reported	8

principal location of injuries

Wrist	25%
Hand and Fingers	25%
Back	25%
Shoulder and Arm	25%

injury type

Fractures	34%
Open Wound	33%
Hernias strains and sprains	33%

workcover claims

Number of WorkCover claims accepted	3
Claims incurring lost time and medical expenses	3
Medical expenses only	0
Number of claims made during period	4

mechanism of injuries

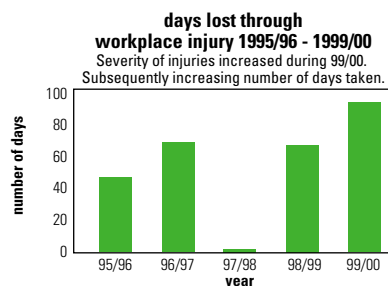
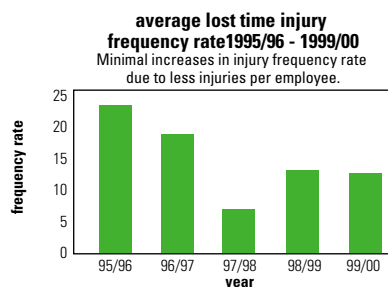
Slips trips/falls	4
Body stressing	1
Electrical	1

agency of injuries

Other Unspecified	3
Environmental	2
Powered equipment	1

Scott Martin performing mandatory annual fire extinguisher training.





environment

objectives

- Involve TPA's stakeholders in the Authority's environmental management initiatives in order to improve public awareness and strengthen the acceptance of these initiatives.
- Provide accurate environmental advice and management initiatives to TPA's internal and external clients in a timely manner.
- Develop and maintain an effective environmental management system for all port operations.
- Develop and maintain an appropriate environmental management program to monitor impacts on the receiving environment.

achievements

- Completion of Stage 2 of international environmental standards certification to assist in the development of an integrated business and environmental management system.
- Environmental and internal audits of the workshop and store to assess efficiency and legal compliance.
- Development and distribution of the Port of Townsville Environmental Working Group community awareness newsletter, 'Ship to Shore' to strengthen awareness of environmental management initiatives.
- Oil Spill Contingency Plan reviewed to maintain consistency with the National Plan.
- Development and continued implementation of the TPA developed Environmental Awareness Training Program, to provide a sound understanding of environmental management systems and procedures.
- Development of a major catchment management project to improve stormwater quality discharge from catchment activities, in cooperation with the local community and industry.

oil spill contingency plan

The Oil Spill Contingency Plan was reviewed to ensure consistency with the National Oil Spill Contingency Plan and to maximise response efficiency in dealing with spills. All personnel have undergone appropriate training and the plan will undergo annual review.

catchment management project

Progressive development of a joint \$500,000 National Heritage Trust (Urban Stormwater Initiative) catchment management project with the Townsville City Council to improve stormwater quality discharge into Ross Creek and Cleveland Bay. The project involves a community and industry stormwater management awareness program.

looking ahead

- Marking all drains as part of the Urban Stormwater Initiative's Stormwater Awareness Program, to improve control of non-port source discharges to the environment.
- Development of a naturally vegetated buffer to provide a physical and spatial separation between port operations and nearby suburbs.
- An ecological survey will be undertaken to locate introduced marine pests and form the basis of a risk-based assessment for the management of ballast water.
- An automatic data logger will identify and track potential contaminants and stormwater discharge while monitoring improvements in product handling and operational activities.
- Finalisation of the Port of Townsville Environmental Performance Evaluation.
- Development and implementation of a community consultation and public awareness program.
- Development of concept plans and consultation regarding the development of a new recreational boat ramp facility.
- Development and implementation of a generic emergency response manual for port operations.
- Finalisation of a five year sea dumping permit for the disposal of dredged material.



- Development of a waste water management strategy for the Port of Townsville.
- Cooperative development of a program of remediation of the old prawn farm on the Ross River South Bank. Project partners include Stanwell Corporation Limited, Sunfish NQ, the Environmental Protection Agency and Townsville City Council.
- Finalisation of the Ross River South Bank Land Use and Conservation Strategy in cooperation with Townsville City Council.

in progress

- Environmental performance evaluation is ongoing.
- Measured improvements in environmental performance have been recorded against the port-wide Environmental Management Strategy.
- The Environmental Management Strategy has identified areas of concern to which management initiatives have been developed.

environmental management strategy

Measured improvements in environmental performance have been recorded against the objectives of the port-wide Environmental Management Strategy.

Improvements have included:

- Reduction in fugitive dust emission
- Improvements in marine sediment quality
- Reduction in reported environmental incidents

research and monitoring

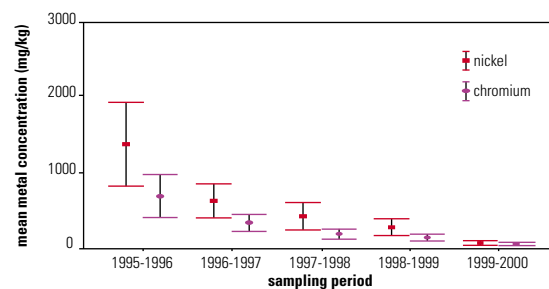
Preliminary findings of a benthic fauna monitoring project suggest no long-term adverse effects on benthic fauna from disposal of dredged material at sea. Other research and monitoring includes:

- Trace-element analysis of otolith composition
- Long-term Sediment Monitoring Program
- Long-term Dust Monitoring Program
- Dust deposition monitoring
- Core sediment monitoring program
- Water quality monitoring program
- Survey of sessile invertebrates within the port area
- Trace element tracking in Cleveland Bay
- Dredge material disposal at sea
- Inner harbour retention modelling

special projects

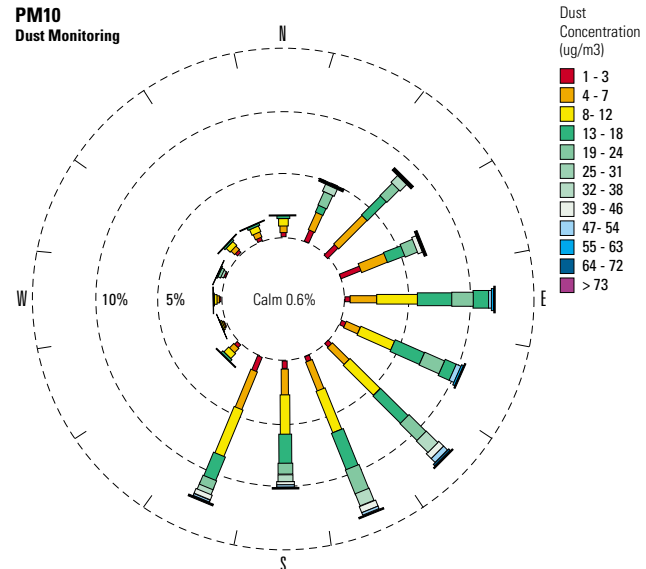
- Participated as part of the Australian delegation at the London Convention Scientific Group Meeting held in Townsville in May 2000.
- Provided lectures on coastal zone management and environmental impact assessment at James Cook University.

Sediment



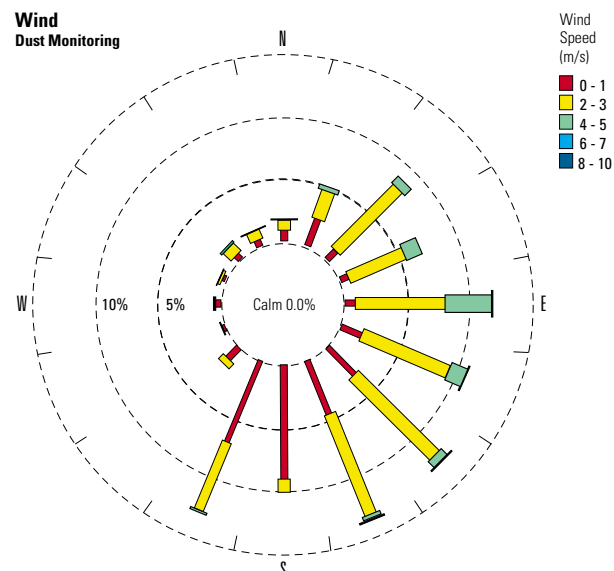
PM10

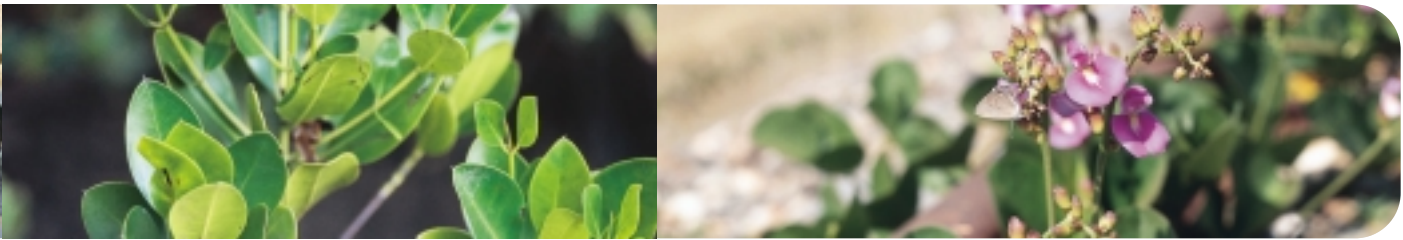
Dust Monitoring



Wind

Dust Monitoring





sediment

Shows the changes in nickel and chromium concentrations within the sediments of Berth 3 over time. As the graph illustrates, there has been a significant decrease in the concentration of both of these metals over time. This illustrates a significant improvement in the environmental management of nickel handling operations at the Port of Townsville.

This data is collected through the Port of Townsville Long Term Sediment Monitoring Program which was implemented in 1995. The program involves the collection of 242 samples every three months. The samples are sent to a laboratory for the analysis of 13 heavy metals.

PM10

This graph is a wind rose illustrating the directional source of all particulate matter (PM10) during the 1999/2000 sampling period. As can be seen from the graph, the majority of extreme dust events appear to originate from a general southerly direction.

This data is collected through the Port of Townsville Dust Monitoring Program. The main element of the program is a real-time dust monitor positioned on the end of Berth 10. The dust monitor is a TEOM system with a PM10 size selective inlet. The TEOM is a continuous monitor and provides half-hourly averages for ease of data interpretation. (PM10 or particulate matter is all dust particles less than 10um in size. These particles are considered a health concern as they are able to penetrate the lower respiratory tract).

wind

This graph is a wind rose illustrating the various strengths of wind from all directions. This graph is used in conjunction with the PM10 graph to determine whether extreme dust levels are a result of high wind speeds or are source-generated. This graph illustrates that the majority of high wind speeds are from a general easterly direction. This suggests that extreme dust levels were sourced-based rather than wind generated during the 1999/2000 sampling period.

The dust monitoring station has associated wind sensors to record wind speed and wind direction. This data is used to determine from which direction extreme dust levels originate and whether the dust levels are a result of wind speeds or are source-based.



Bob Morris,
Operator/Labourer during
oil pollution training.



Left: Environmental Officer, Craig Wilson
checking on tree growth.

human resources

objectives

- Renegotiate salary-based packages with maintenance employees.
- Review employee appraisal system, allowing easy identification of training requirements and provide access to programs in order to maintain skill-based knowledge for port employees.
- Negotiate an Enterprise Bargaining Agreement (EBA) with the Australian Maritime Officers Union (AMOU) for Port Services Officers.
- Review timing of salary adjustments for managerial, professional, administrative and key personnel.

achievements

- Successful negotiation of salary-based packages for maintenance employees for a further two years.
- Upgrade of employee appraisal system to allow easy identification of training needs for employees.
- Successful negotiation with the AMOU resulted in an EBA for Port Services Officers.
- Revised timing of salary reviews for managers, professionals, administration and key personnel to account for the benefit of superannuation on increased salaries.
- 144 participants attended 38 training courses.
- Training in multi-skilling has contributed to increased productivity and reduced unplanned engineering maintenance.

looking ahead

- The Authority will establish an internal communications system providing a better understanding of the organisation and allowing employees to contribute to the port's future direction.
- Modification of the employee appraisal system to ensure employees' training requirements are met.
- Increase awareness of the Authority's equal opportunity, discrimination and harassment policies through promotion in internal newsletters and the broader communications process.
- Maintain an internal culture that challenges and motivates individuals and recognises and rewards above-average performance.
- Fully implement a formal Employment and Industrial Relations Plan 2000/2001 to facilitate port operations and development.

employment and industrial relations plan

A formal Employment and Industrial Relations Plan 2000/2001 is being implemented to assist employees to meet port management, development and maintenance requirements. The plan maintains a culture that:

- Challenges, motivates and encourages employees to develop and enhance their personal skills levels.
- Maintains an organisational structure that supports the corporate strategy and fully utilises human resources.
- Ensures communication channels are open, candid, informative and of benefit to employees and customers alike.

The plan acts as a guide for employees to ensure that the management, development and maintenance

requirements of the port are adequately met. The plan focuses on maintaining an internal culture that challenges and motivates employees and encourages them to develop and enhance their personal skills.

marine services integration

The integration of marine pilots and port services into a team will allow us to focus on our marine service activities. Along with that integration, the transfer crew will become part of the marine services business activities.

employment statistics

Number of employees 82 (temps not included)

Male	63
Female	19

Length of services for employees

8.5 years per employee

Retirements – 4

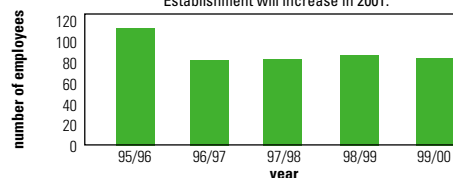
Storeman	Fred Porter
Operator/Labourer	Malcolm Finn
Wharf Carpenter	Ces Denham
Hydrographic Surveyor	Neil Butterworth

New Appointments – 4

Operator/Labourers	3
Carpenter	1

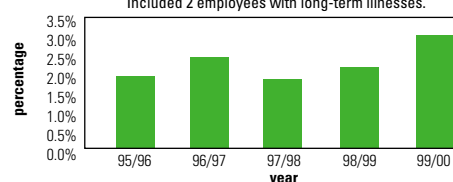
employee numbers 1995/96 - 1999/00

Employee numbers reduced in 2000 due to retirements. Establishment will increase in 2001.

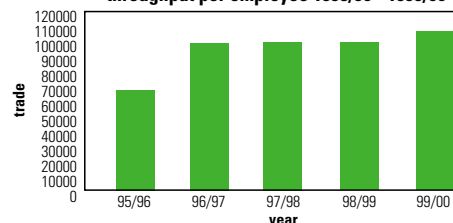


sick leave as a percentage of total hours worked 1995/96 - 1999/00

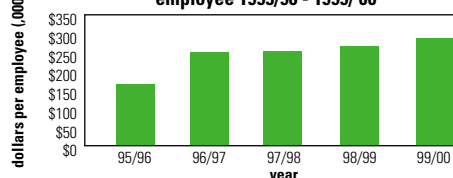
Included 2 employees with long-term illnesses.



throughput per employee 1995/96 - 1999/00



operating revenue per employee 1995/96 - 1999/00





Port Services Officer, Dave Hay awaits the arrival of the USS Blue Ridge.

Graeme Fletcher, Port Services Supervisor, Master of Ship, Alan McCarthy, P&O Nedlloyd and Chris Kerr, Pilot.



port services

objectives

- Continue to monitor and review procedures and processes relating to shipping.
- Further enhance close circuit tv (CCTV) coverage of port infrastructure.
- Upgrade security monitoring system.
- Upgrade small boat harbour mooring system and commercial wharf facilities.

achievements

- Eliminated delays in recording essential shipping data. Shipping advice forms now completed by pilots upon completion of each movement.
- Minimised delays sending daily shipping reports to port customers as a result of being placed in queues by commercial service providers. This was achieved by utilising internal resources to develop and send multiple faxstream lists.
- Installation of second camera on QCL silo. This camera was installed to eliminate a black spot on the eastern side of the port. It provides vision of the eastern reclamation, BHP, QNI and western mining areas.
- Challenger security system was upgraded to version eight during the year. This upgrade was necessary to allow for the expansion of the system to include the new administration building and provide access to enhanced reporting and remote control features.
- No delays recorded for maintenance crews/contractors, as a result of vessels not being relocated to alternative positions. It is essential vessel owners are contacted and coordinated to allow maintenance staff unrestricted access to mooring systems and wharfs.

looking ahead

- Participate in a review of the Port Procedures Manual (Townsville).
- Develop and implement quality procedures for pilotage services.
- Participate in the development of pilotage standards for Townsville set by Queensland Transport.
- Complete simulation study of berth 11 to investigate efficiencies in ship manoeuvrability in cooperation with the Australian Maritime College.
- Continue integration of pilots into port systems.
- Continue to monitor and review procedures relating to shipping.
- Conduct port security audit to determine future requirements.

Merv Evans, Boating Inspector at small boat harbour.



integration of pilotage services

Continue the integration of pilotage services into port operations by relocating the Duty Pilot to the upgraded Port Control Tower to provide users with a single point of contact for pilotage and berth allocation.

tower refurbishment

The tower is undergoing a major refurbishment to bring it to a category four wind standard, provide emergency access and to refurbish the work area at the top of the tower. This area has been upgraded to provide additional work space, an upgraded electrical system, computer and telephone system, fixed windows, a walkway around the outside for maintenance purposes and an emergency exit.

security

This year we will talk to port users regarding the current level of security in the port. This will enable us to ascertain what their future requirements will be. The CCTV coverage has a dual benefit as it enhances the safety of both our port users and the public safety system within the port.

pilotage services

objectives

- Provide safe and efficient pilotage movement of vessels within the port.
- Provide pilotage service to vessels 24 hours a day within port regulations.
- Ensure all pilotage crews comply with the Port Procedures Manual.
- Continue the relationship with Townsville Marine Pilots to provide the pilot transfer service.

achievements

- Provided 1388 safe and efficient pilotage movements with no reported incidents or injuries.
- Provided 24 hour a day pilotage to vessels, with regulation and weather restrictions. No delay complaints were recorded.
- Appointment of Captain Mark Field as pilot in January 2000, increasing pilot numbers to six.
- Successful training for all pilots, addressing both port needs and pilots' professional development.
- Successful implementation of electronic pilotage systems into the Port Management System.

- Renewal of the pilot transfer service contract with Townsville Marine Pilots.

looking ahead

- Integrate pilot services into the Port Control Tower, allowing for more efficient berth allocations and pilotage.
- Review and update the Pilotage Standards Manual in conjunction with Queensland Transport and other Queensland ports to improve and ensure consistency of pilotage throughout Queensland.

appointment of pilot

Captain Mark Field was appointed in January 2000 as a replacement for Rob Lovell. He was Master of the 'Lady Elaine' and has held Class 1 since 1989.

training

Training is assessed on an ongoing basis on the professional development of pilots, and their needs are identified and addressed as required.

• Human Performance, Endurance & Fatigue	Oct 99
• Bridge Resource Management	Sept 99
• Aviation Underwater Escape Training	Oct 99
• GMDSS Radar Training	Oct 99

pilotage standards

Pilotage standards are being reviewed to improve consistency of pilotage throughout Queensland. The pilotage standards relate to transitional provisions, application to exempt Masters, fatigue management, training, check piloting and recognition of experience. The Queensland Ports' Association has made submissions to Queensland Transport on how pilotage standards can be improved.



Pilot, Hugh Ripley climbs aboard a ship via rope ladder.



Above:
Tug Burdekin
assisting the
Slotergracht.



Pilot, John Cornish
as a ship enters the
harbour.

corporate services

objectives

- Complete the Land Tenure Rationalisation Program to align holdings with future port planning objectives.
- Review the existing Port Land Use Plan to recognise new tenure arrangements arising from the Land Tenure Rationalisation Program.
- Implementation of a tenancy risk management and compliance strategy incorporating tenancy audits to ensure compliance with tenancy conditions and port notices.
- Integrate strategic port land into the Integrated Development Assessment System (IDAS) as prescribed by the Integrated Planning Act 1997 (IPA), and development of a Land Use Strategy establishing guidelines for future developments on port lands.
- Implementation of a port-wide risk management strategy in conjunction with Port Services.
- Implementation of a records management policy to ensure effective and efficient records management, and to maintain integrity of record management.
- Facilitate the establishment of a third bulk sugar shed at the Port of Townsville by Queensland Sugar Limited to enable all-year-round sugar trade.

achievements

- Successful completion, implementation and execution of Year 2000 Compliance Project and ongoing monitoring.
- Completion of the conversion of all strategic vested land above high water mark in the port operations area to freehold title, and the conversion of all strategic vested land below high water mark in the port operations area to perpetual leases.
- Finalisation of tenancy arrangements with a number of port customers, including WMC Fertilizers, All-Rig Lifting & Engineering, H.B.L. Chemtrans, Queensland Nickel, MIM Holdings, BP/Mobil. This included the surrender of 15 hectares of land by WMCF that is now available for future tenancy arrangements.
- Completion of risk assessment of the Authority's operations to ensure integrity of existing contingency plans in relation to financial risks and liability, legal exposure, workplace health and safety, trade and pilotage and to establish recommendations for future risk management strategies.
- Completed a review of external contracts to assess gst implications for existing contracts, and also implications for future contractual arrangements.
- Completed training in records management and established a records management policy for the Authority's records management system.

looking ahead

property management

The Land Tenure Rationalisation Program will ensure the port has access to land it requires to achieve future planning objectives.

The first component of the program is the conversion of strategic vested lands to alternative tenures, and the surrender of non-strategic vested land not considered essential to port operations to the State for further dealing. The Authority is working with Queensland Transport and



Standing L-R:
Administration Clerk,
Marjorie Walker;
Corporate Services Officer, Raneë King
and Administration Clerk, Annie Peters (seated).

the Department of Natural Resources to complete the conversion of vested lands prior to 31 December 2000.

Pursuant to the Transport Infrastructure Act 1994, the Authority is required to prepare a Land Use Plan defining strategic port lands and land uses. The Authority will review the existing Land Use Plan to reflect the new tenure arrangements arising from the program. The revised plan will be released in early 2001, and will be reviewed every three years to ensure the integrity of land holdings, and to ensure consistency with future port planning objectives as defined in the Port Development Plan.

integrated planning act 1997

Strategic port land is anticipated to be subject to the IDAS system by early 2001 as a requirement of the Integrated Planning Act 1997 (IPA). The system is designed as an environmental and planning instrument integrating all approvals required for developments.

To ensure appropriate compliance with IDAS and IPA requirements, extensive port-specific training in conjunction with the Department of Communications, Information, Local Government, Planning and Sport (DCILGPS) is scheduled for late 2000. Once the appropriate legislative arrangements are in place, strategic vested land will be subject to IDAS, and port authorities will become assessment managers for all developments on strategic port land.

The Authority will establish a Land Use Strategy detailing guidelines for future developments on port lands to ensure compliance with IPA and to maintain consistency with local council planning objectives.

Townsville City Council will be the assessment manager for developments on non-strategic port land. Extensive consultation with Townsville City Council will be undertaken with a view to ensuring consistency between Council Planning Schemes and the Authority's Land Use Plan and Land Use Strategy for adjoining lands.

tenancy risk management

The Authority maintains numerous tenancies with port customers on port lands. It is anticipated that a tenancy risk management and compliance strategy will be established in 2001. This strategy will involve an initial assessment of all tenancies to ensure compliance with the conditions of the agreement and port notices.

Additionally, random audits of lease sites will be conducted on a regular basis to ensure the integrity of tenancies and to reduce any exposure to liability.

freedom of information

The Freedom of Information Act 1992 (the Act) provides a general right of access to documents held by Ministers, State Government departments, local authorities and most semi-government agencies and statutory authorities. The Act places an obligation on the agency to provide information requested, unless the information requested is deemed exempt under specific provisions of the Act.

As a Government Owned Corporation, the Authority is required to provide documents requested under the Act. We also have a requirement to provide annual reports on FOI requests made during each financial year pursuant to the Act.

During the 1999/2000 financial year, the Authority completed one (1) FOI application. The request was not refused or transferred to another agency.

1999/2000 annual freedom of information figures

Applications Received	1
Applications Completed	1
Information Provided	1
Information Exempt	0
Time Taken to Process:	
0-10 Days	1
11-21 Days	0
21+ Days	0
Actual Hours to Process:	
0-3 Hours	1
4-7 Hours	0
Expense to Process:	
\$0-\$30	1
\$30-\$60	0



Management Accountant, Len McDougall (seated) with Danella Lane, Auditor with CE Smith and Co.

commercial services

objectives

- Provide accurate and timely information on financial, trade and shipping information to Shareholding Ministers, the Board and management.
- Ensure compliance with legislative reporting requirements.
- Ensure compliance with Australian Accounting Standards.

achievements

- Successful relocation of staff to new port Administration building, completed on time and within budget.
- Audit and subsequent revaluation of non-current physical assets in compliance with Australian Accounting Standards.
- Completion of a Port Pricing Comparison Study, comparing cargo-related and ship-related charges with other Australian regional ports.
- Renewal of insurance program and successful management of insurance claims, including a major \$1 million claim in relation to Cyclone Tessi.
- Participated in the Capital Structure Review draft report completed by the Deutsche Bank during March to June 2000 on behalf of the Shareholding Ministers of Queensland and Queensland Transport.
- Development and implementation of financial policies to comply with Government Owned Corporation's Financial Arrangements.
- Development of Capital Expenditure and Operating Budgets for the 2000/2001 financial year, with both budgets adopted by the Board.
- Development of Statement of Corporate Intent for 2000/2001 period, in accordance with Queensland Government guidelines and in consultation with Queensland Treasury and Queensland Transport.
- Prepared for GST implications with systems and requirements implemented successfully on 1 July 2000.
- Developed and implemented strategies for future employment of pilots and boat crew as a result of the Public Benefit Test by Queensland Transport.
- Port employees offered with Q-Super Defined Benefits or Accumulation Superannuation schemes following Board approval.



Receptionist, Jackie Quinlan.



- Certification by Auditor-General of financial statements.

looking ahead

- Provision made in 2000/2001 budget for continuation of record trade into its 14th year.
- Review business processes to ensure commercial focus and practicality.
- Review financial and activity reporting processes for content and timeliness, including incorporation of key performance indicators into monthly reporting.
- Ensure financing of major projects meets shareholder requirements as effectively as possible.

port pricing comparison study

A benchmark study was undertaken throughout all regional port authorities that compared cargo-related and ship-related charges between ports.

The study indicated that while the Port of Townsville is priced comparatively higher in harbour dues for a number of products, it is relatively inexpensive with respect to the majority of ship-related charges.

reevaluation of non-current assets

We are required to undertake a revaluation of our non-current assets every five years in compliance with the Australian Accounting Standards and Queensland Government Policy.

The exercise determined the Authority's assets had previously been over valued and as a consequence, the port's non-current physical assets have been reduced by \$58 million to reflect more realistic values.

effect of the gst

We were prepared for gst implementation from 1 July 2000 and subsequent monthly returns which involved dealing with transitional issues before that date.

The new tax created an additional level of administrative tasks for the Authority, as where the Authority was previously sales tax exempt, there are now a series of new processes and procedures in place to ensure gst compliance.

Port users were advised of the pricing impacts and the invoicing system was modified to allow for the production of tax invoices.

GST training courses were undertaken by several officers with CPA Australia and the Australian Taxation Office.

Commercial Clerk, Mandy MacKenzie (standing) with Statistics & Revenue Officer, Melanie McEvoy-Bowe.



pilotage

Future strategies for the employment of pilots and boat crew take effect at 1 July 2001 following the release of a Public Benefit Test by Queensland Transport.

In the test, Queensland Government decided that it was up to port authorities on how they continue with the provision of pilotage services.

The Board resolved to continue with the employment of the pilots and also to directly employ the pilot transfer crew.

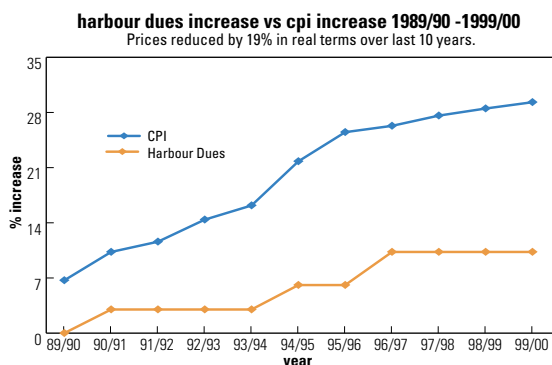
information technology

achievements

- Achieved successful relocation of IT hardware to new administration building as part of the port consolidation process with minimum downtime.
- Developed a standard operating system across the port by implementing a new email and network operating system including more powerful network servers.
- Successful launch of Port of Townsville's website.
- Successful integration of electronic pilotage systems into the existing Port Management System.
- Established Electronic Funds Transfer (EFT) capability for supplier payments that has resulted in creditor satisfaction and a reduction in administration processing time.
- Successful implementation of a port-wide PABX telephone system on time and under budget bringing estimated cost savings of \$50,000 per annum.

www.townsville-port.com.au

The port's internet site was launched during the fourth quarter of the financial year. Readers are invited to visit the website at www.townsville-port.com.au



eCommerce is developing rapidly through internet technologies. Provision has been made for future information exchanges between the port and our customers through the website. This will be extended to include billing, berth bookings and dangerous goods declarations, when required.

electronic funds transfer

Electronic Funds Transfer capability was implemented for supplier payments in early 2000. Suppliers are now moving towards using the trend of EFT with approximately 40 percent now using this method of payment. This is a more economical and efficient method of payment and has resulted in a reduction in hours of processing paperwork.

new telephone system

The move to the new PABX telephone system was made in early 2000 and is expected to yield considerable cost savings for the port. The new Siemens Hicom 150E system replaces the old Spectrum system.

looking ahead

- Integrate the accounting, purchasing and maintenance management systems into one efficient commercial management system to complement the Port Management System.
- Acquire a geographic information system in which to integrate planning, environmental, engineering, land tenure and other spatial information to produce specific geographical information.

integration of commercial systems

During the coming year, the major project for implementation will be the replacement of our commercial systems. We are looking to implement integrated accounting, purchasing and maintenance management systems to complement the Port Management System. The objectives of the change from the present systems are to improve the functionality of systems, integration between modules and to reduce system maintenance costs. This system will be implemented in the 2001 financial year.

training

During the 1999/2000 period IT for staff included:

- Advanced Microsoft Access – Sept 99
- VBA (programming) for Excel – Sept 99
- Networking Essentials – Oct 99
- NT 4.0 Network Administration – Oct 99, Feb 00
- Supporting NT 4.0, Core Technologies – May 00
- Completion of Microsoft Certified Support Engineer Modules – Mar 00
- Exchange Server 5.5 – Module 1 – Jan 00



John Sherriff, Finance Manager (seated) and Greg Macdonald, Accounts Payable Clerk.

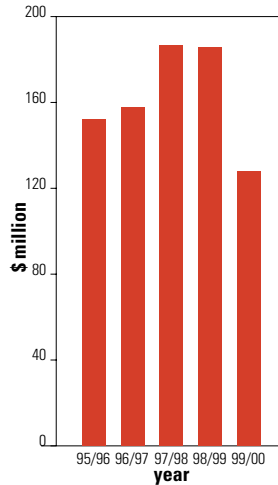


Information System Support Officers - Chris Lynch (standing) and Amanda Cox (seated).

five year summary

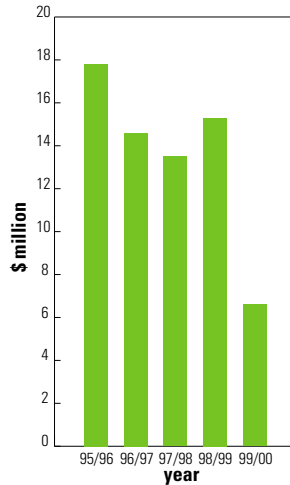
total assets 95/96-99/00

Assets were revalued during 1999/00.



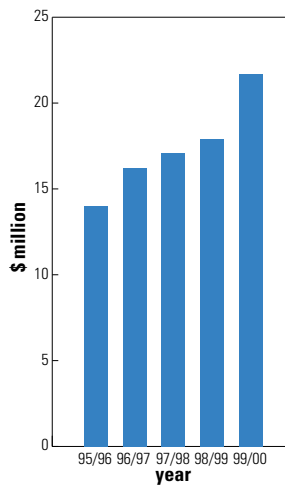
total liabilities 95/96-99/00

Reflects reduction in outstanding loans.



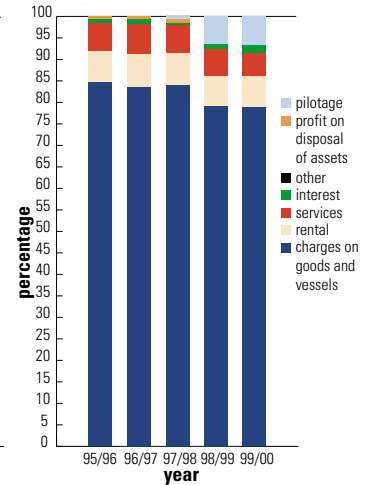
total operating expenditure 95/96-99/00

Includes 3 dredging campaigns (2 main channel, 1 Ross River).

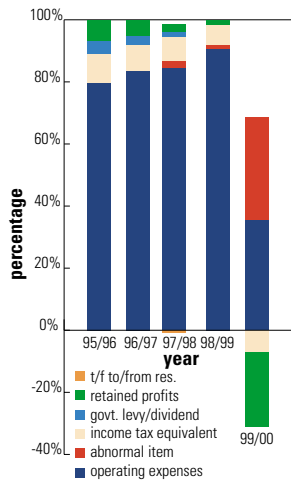


revenue composition 95/96-99/00

1999/00 charges on goods were 79%.

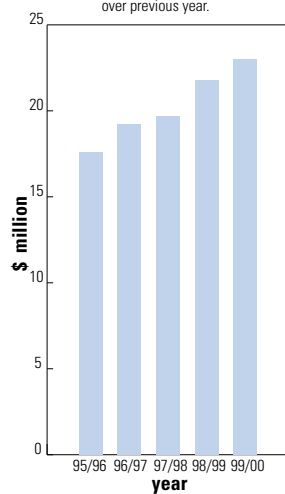


revenue distribution 95/96-99/00



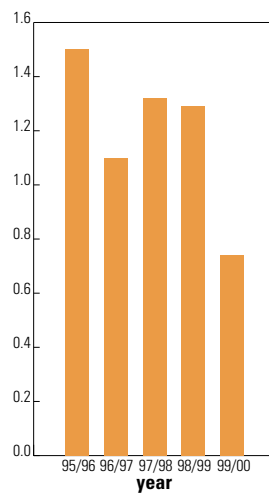
operating revenue 95/96-99/00

Revenue increase of 5.5% over previous year.



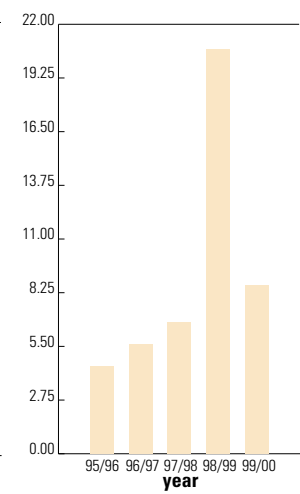
current ratio 95/96-99/00

Average ratio for year exceeded 1.0.



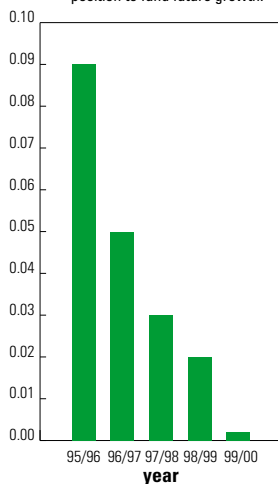
interest cover ratio 95/96-99/00

Well above target of 3.0.



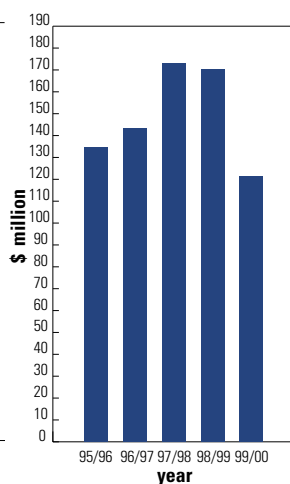
debt/equity ratio 95/96-99/00

The Authority is in a favourable position to fund future growth.



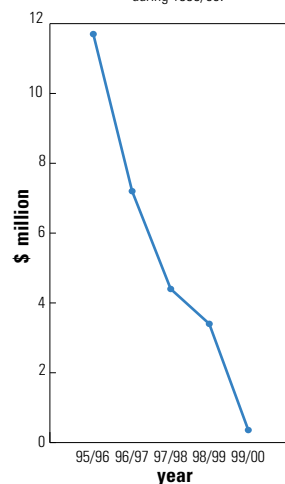
total equity 95/96-99/00

Decrease due to asset revaluation.



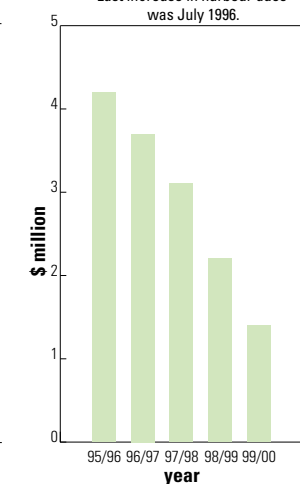
net loan liability 95/96-99/00

There were no new borrowings during 1999/00.



ebit 95/96-99/00

(earnings before interest and tax)
Last increase in harbour dues was July 1996.



summary of statement of corporate intent

Under the Government Owned Corporations Act 1993, we are required to report on our Statement of Corporate Intent (SCI) 1999/2000 in this report. A summary of the SCI can be included in the report, however a full copy of the SCI is laid before the Legislative Assembly at the same time of tabling as the annual report.

business development strategies

During the next year, we will continue to implement our port rationalisation objective, principally through the establishment of the multi-user bulk facilities.

major investments

Approval by Shareholding Ministers will be requested for projects over \$5 million.

corporate direction

The Mission of Townsville Port Authority is to create shareholder value and to efficiently manage infrastructure, facilities, utilities and a seamless service in a commercial manner, to ensure the speedy, cost-effective turnaround of ships, to the benefit of all of our stakeholders.

Our Vision is that Townsville Port Authority will manage the operation and development of the Port of Townsville to become Australia's pre-eminent maritime port.

risk minimisation

An objective of our planning processes is the identification and response to threats from the economic environment.

Operational Risk: Our quality system manuals contain significant elements of risk identification and elimination.

Investments: Surplus funds will be invested to obtain market returns which are non-speculative.

The Authority has insurance policies in place for:

- Industrial Special Risks
- Extra-Territorial Workers' Compensation
- Combined Liability
- Personal Accident
- Marine Hull
- Directors and Officers' Liability
- Comprehensive Motor Vehicle
- Marine Liability
- Marine Transit

Borrowings: All borrowings will be sourced on a competitive basis.

purchasing policy

The policy stipulates the required action for purchases over certain \$ value thresholds. All purchases are to be authorised in accordance with approved individual expenditure limits.

We also adhere to the principles of the State Purchasing Policy, subject to the Trade Practices Act 1974, National Competition Policy and related legislation and agreements.

dividend policy

As there is no profit after tax in 1999/2000 (after asset revaluation) there is no dividend provision. In the previous year 1998/1999 a 70% dividend was paid.

employment and Industrial Relations Plan

An Employment and Industrial Relations Plan was submitted for 1999/2000. Shareholding Ministers will be advised of any proposed changes to the remuneration arrangements of senior executives.

performance targets - 1999/2000

	target	actual
1. Accounting Return on Assets	1.8%	0.91%
2. Operating Profit (EBIT)	\$4.29 million	\$1.43 million
3. Current Ratio	>1.0	0.74
4. Interest Cover Ratio	>3.0	8.65
5. Payback Period	<7.0	0.04
6. Debt to Equity Ratio	<1.0	0.002
7. Trade (Million Tonnes)	9.4	8.52
8. Nominal Price Index of Port Authority Charges	103.85	103.85
9. Containers	>20,000 teu's	22,328 teu's
10. Gross Loading Rate (tonnes per hour)	392	363

1. Ratio based on Earnings Before Interest and Tax (EBIT) divided by average assets, with the low EBIT reducing the return for 1999/2000.
2. Revenue was below budget by \$1.8 million due to trade being 916,000 tonnes below budget. Expenditure was \$1 million over budget due to additional dredging costs.
3. Average over last 12 months was greater than 1.0.
4. Favourable due to no new borrowings.
5. Expect to pay out existing loans in September 2000.
6. Favourable due to reducing debt.
7. Although this was a record year of trade throughput, individual trades below budget included High Analysis Fertiliser 392,000 tonnes, Nickel Ore 290,000 tonnes and Copper Concentrates 224,000 tonnes.
8. There was no increase in charges for Harbour Dues and Tonnage Rates.
9. 8,470 TEU's* (or 38%) were with NGPL/Opal Services.
10. Below budget trade in three bulk trades which adversely affected loading rates.

* Twenty-foot equivalent unit/s

reporting arrangements with shareholders

quarterly	yearly
Income and Expenditure Statement	Annual Report
Balance Sheet and Cash Flow	Corporate Plan
Financial and Non-Financial Performance Indicators	Statement of Corporate Intent



annual financial statements

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purpose and scope

Townsville Port Authority is a Statutory Government Owned Corporation, constituted on 1 July 1995 under the provisions of the Government Owned Corporations Act 1993 (GOC Act). Under the terms of Section 127 of the GOC Act, the Financial Administration and Audit Act 1977 applies to the Authority as if it were a Statutory Body.

These statements have been prepared -

- (i) to satisfy the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements; and
- (ii) to communicate information concerning the Authority's financial performance for the year and its financial position at year end to a variety of information users including -
 - its shareholding Ministers, the Honourable the Minister for Transport and Minister for Main Roads of Queensland and the Honourable Treasurer of Queensland;
 - users and potential users of the Port of Townsville;
 - the community in general; and
 - other interested parties.

The statements are general purpose in nature and provide a full presentation of all of the financial activities of the Authority.

profit and loss statement

for the year ended 30 June 2000

	NOTES	2000 \$	1999 \$
OPERATING REVENUE			
Charges on Goods	2	15,073,183	14,157,148
Charges on Vessels	3	3,110,335	3,019,459
Rentals		1,682,373	1,651,436
Charges for Services	4	1,222,883	1,334,623
Interest Earned		257,321	229,124
Other		16,636	4,078
Profit on Disposal of Non-Current Assets		64,507	-
Pilotage Revenue		1,580,776	1,436,140
TOTAL OPERATING REVENUE		\$23,008,014	\$21,832,008
OPERATING EXPENSES			
Administration	5	5,361,576	5,067,974
Depreciation		6,357,840	5,861,431
Maintenance	6	6,012,340	2,832,941
Operations	7	1,716,260	1,579,361
Interest		165,047	199,030
Miscellaneous		561,796	832,403
Sales Tax Equivalent		77,250	54,414
Pilotage Expenses		1,493,691	1,470,353
Loss on Disposal of Non-Current Assets		-	5,024
TOTAL OPERATING EXPENSES		\$21,745,800	\$17,902,931
OPERATING PROFIT BEFORE ABNORMAL ITEMS		1,262,214	3,929,077
ABNORMAL ITEMS	9	(20,017,820)	275,435
OPERATING (LOSS) PROFIT AND ABNORMAL ITEMS BEFORE INCOME TAX EQUIVALENTS EXPENSE		(18,755,606)	4,204,512
INCOME TAX EQUIVALENTS (BENEFIT) / EXPENSE	8	(\$4,275,369)	\$1,974,755
OPERATING (LOSS) PROFIT AFTER INCOME TAX EQUIVALENTS (BENEFIT) / EXPENSE		(\$14,480,237)	\$2,229,757
RETAINED PROFITS AT BEGINNING OF FINANCIAL YEAR		3,765,604	2,501,107
TRANSFERS FROM RESERVES	10	\$44,566	\$904,635
TOTAL AVAILABLE FOR APPROPRIATION		(10,670,067)	5,635,499
DIVIDENDS PROVIDED OR PAID	18	-	1,798,282
TRANSFERS TO RESERVES	10	\$71,848	\$71,613
ACCUMULATED (LOSS) / RETAINED PROFIT AT THE END OF THE FINANCIAL YEAR		(\$10,741,915)	\$3,765,604

The accompanying notes form part of these financial statements

townsville port authority annual report

balance sheet

as at 30 June 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash	11	846,750	6,055,276
Receivables	12	2,424,297	2,829,667
Other	13	139,528	1,999,501
TOTAL CURRENT ASSETS		\$3,410,575	\$10,884,444
NON-CURRENT ASSETS			
Receivables	14	-	37,680
Property, Plant and Equipment	15	124,003,202	174,036,235
Other	13	543,443	531,762
TOTAL NON-CURRENT ASSETS		\$124,546,645	\$174,605,677
TOTAL ASSETS		\$127,957,220	\$185,490,121
CURRENT LIABILITIES			
Creditors	16	2,579,308	1,733,659
Borrowings	17	361,476	3,066,323
Provisions	18	1,679,252	2,582,305
TOTAL CURRENT LIABILITIES		\$4,620,036	\$7,382,287
NON-CURRENT LIABILITIES			
Creditors	19	875,730	933,114
Borrowings	17	-	361,486
Provisions	18	432,981	435,726
Other	20	653,343	6,186,575
TOTAL NON-CURRENT LIABILITIES		\$1,962,054	\$7,916,901
TOTAL LIABILITIES		\$6,582,090	\$15,299,188
NET ASSETS		\$121,375,130	\$170,190,933
EQUITY			
Issued Capital	21	121,935,028	121,935,028
Retained Profits		(10,741,915)	3,765,604
Reserves	10	10,182,017	44,490,301
TOTAL EQUITY		\$121,375,130	\$170,190,933

The accompanying notes form part of these financial statements

statement of cash flows

for the year ended 30 June 2000

	NOTES	INFLOWS (OUTFLOWS) \$	INFLOWS (OUTFLOWS) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		22,798,031	21,372,133
Payments to Suppliers and Employees		(12,612,918)	(13,262,163)
Interest Received		257,321	229,124
Dividend Paid		(1,560,830)	(554,055)
Income Tax Equivalents Paid		(633,296)	(372,091)
Net Cash Inflow From Operating Activities	B	\$8,248,308	\$7,412,948
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(12,150,995)	(2,909,328)
Proceeds from Sale of Property, Plant and Equipment		1,651,719	138,866
Proceeds from Loan Repayment and Agreement with Casino Developers		273,822	252,660
Net Cash Outflow From Investing Activities		(\$10,225,454)	(\$2,517,802)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(3,066,333)	(1,011,191)
Interest Paid		(165,047)	(199,030)
Net Cash Outflow From Financing Activities		(\$3,231,380)	(\$1,210,221)
Net (Decrease) / Increase in Cash Held		(5,208,526)	3,684,925
Cash at the Beginning of the Financial Year		6,055,276	2,370,351
Cash at End of Financial Year	A	\$846,750	\$6,055,276

notes to the statement of cash flows

for the year ended 30 June 2000

	2000 \$	1999 \$
A. Reconciliation of Cash		
For the purposes of this Statement of Cash Flows, cash includes cash on hand and at bank and investments, in money market instruments, readily convertible to cash at the investor's option.		
Cash at the end of the year is shown in the Balance Sheet as:		
Cash on Hand	1,800	1,900
Cash at Bank	236,676	255,016
Term Deposits	608,274	5,798,360
	\$846,750	\$6,055,276
B. Reconciliation of Operating Profit After Income Tax Equivalents Expense and Abnormal Items to Net Cash Inflow from Operating Activities		
Operating (Loss) / Profit after Income Tax Equivalents Expense and Abnormal Items	(14,480,237)	2,229,757
Non-Cash Flows in Operating Profit		
Depreciation	6,357,840	5,861,431
Interest Expense	165,047	199,030
Profit on Disposal of Non-Current Assets	(64,507)	-
Loss on Disposal of Non-Current Assets	536,375	(270,411)
Revaluation Decrement - Non-Current Assets	19,481,445	-
Income Tax Equivalents Expense	(4,275,369)	1,974,755
Changes in Assets and Liabilities		
(Increase) Decrease in Trade Debtors	169,229	(176,348)
(Increase) Decrease in Utility Deposits	9,214	7,674
(Increase) Decrease in Prepayments	1,859,973	(1,955,037)
(Increase) Decrease in Operating Trade Creditors	454,953	521,859
(Increase) Decrease in Operating Retention	5,187	(861)
(Increase) Decrease in Other Operating Creditors	213,715	(88,237)
Increase (Decrease) in Provision for Dividend	(1,560,830)	(554,055)
Increase (Decrease) in Provisions	9,569	35,482
Increase (Decrease) in Provision for Taxation - (Tax Paid in Year)	(633,296)	(372,091)
Net Cash Inflow from Operating Activities	\$8,248,308	\$7,412,948

C. Financing Facilities

The Authority has available a bank overdraft limit of \$100,000. At 30 June 2000 no amount was drawn on this overdraft. Loan facilities as shown in note 17 to the accounts are provided by the Queensland Treasury Corporation. New borrowings are subject to the approved Loan Programme with the sanction of the Treasurer of Queensland.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS

(a) Basis of Preparation of the Accounts

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, and the Financial Administration and Audit Act 1977. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Port Authority in the preparation of the financial report.

(b) Corporate Status

Townsville Port Authority is a Statutory Government Owned Corporation, constituted on 1 July 1995 under the provisions of the Government Owned Corporations Act 1993 (GOC Act). Under the terms of Section 127 of the GOC Act, the Financial Administration and Audit Act 1977 applies to the Authority as if it were a Statutory Body.

(c) Taxation

As a Government owned corporation, the entity is not subject to Commonwealth income tax but as from 1 July 1995 the Authority has been required to pay tax equivalents under the Queensland Tax Equivalents Regime. The Authority, in accordance with Accounting Standard AAS 3 "Accounting for Income Tax" is required to adopt tax effect accounting.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amounts of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation equivalents legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(d) Cash Investments

All monies invested at 24 hour call and other short term deposits are recorded as cash for financial statement purposes due to the liquidity of these assets. The carrying amount approximates fair value because of their short term to maturity.

(e) Revaluations of Non-Current Assets

With regard to Treasury's policy "Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector" a threshold value of \$500 has been adopted for the recognition of non-current physical assets in the accounts. All such assets other than minor plant and equipment below the revaluation threshold of \$500,000 are independently revalued at least every five years. In intervening years the values are reviewed and where relevant they are revalued by management by application of appropriate indices as provided by independent valuers.

As at 1 July 1999 revaluation indices were applied to the recognised current cost of all non-current physical assets except motor vehicles, beacons, and minor plant and equipment under \$500. Independent revaluation indices for land were provided by the Australian Valuation Office, and indices for other property plant and equipment were provided by Edward Rushton Australia Pty Limited.

As at 1 January 2000, independent valuations and estimates of remaining economic useful life for non-current physical assets were provided by Edward Rushton Australia Pty Limited. A recoverable amount test was performed by management on a discounted cash flows basis applying a discount rate of 14.7%, being the weighted average cost of capital before tax. The reported value of assets subject to revaluation does not exceed their recoverable amount.

As at 30 June 2000 all non-current assets are shown at cost or revalued amount.

notes to the financial statements for the year ended 30 June 2000

Potential Capital Gains tax has not been taken into account in determining revaluation amounts, unless there is an intention to realise the assets concerned.

(f) Property Plant and Equipment

Property Plant and Equipment are carried at cost, or at independent valuation, less where applicable, any accumulated depreciation or amortisation. The cost of fixed assets constructed within the Authority includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding land and work in progress, are depreciated over their remaining useful lives commencing from the time the asset is ready for use or subject to a full independent revaluation.

Depreciation Rates are based on the following:

Channels, Swing Basins, and Wharves	2.5%
Plant, Equipment	5.0% - 33.3%
Land Improvements & Small Boat Harbours	2.5% - 10.0%
Buildings	5.0% - 10.0%
Breakwaters	2.0%
Motor Vehicles	25.0%
Access Roads	5.0%
Beacons	10.0%

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit of the Authority in the year of disposal. Assets held by the antecedent body at 30 June 1995 had been revalued from cost. This has been regarded as cost by this Authority.

(g) Employees' Provisions

Provision is made for the Authority's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements, discounted by an average Commonwealth Bond rate which matches the term of the related liabilities.

The amount calculated for Long Service Leave entitlements in accordance with AAS30 is \$473,269 (1999 was \$478,894). Payroll Tax and Workers Compensation are included in the total. No allowance is made for Superannuation, as the amount cannot be reliably calculated based on ordinary time.

The current portion of long service leave has been calculated as a proportion of all employees with greater than seven years service. This proportion is based upon long service leave actually taken by employees over a three year period.

Contributions are made by the Authority to a superannuation scheme for employees and are charged as expenses when incurred.

(h) Computer Software and Hardware

Computer hardware is currently depreciated over its expected useful economic life of three years. Associated communications costs such as cabling and leased lines for the Authority's wide area network are fully expensed in the year the costs are incurred.

(i) Inventories

All stores have been expensed and accounted for in the Profit and Loss Statement.

(j) Debtors

Revenue is recognised when the invoice is raised and is payable in 30 days. Collections are reviewed monthly. The carrying amount approximates fair value.

notes to the financial statements

for the year ended 30 June 2000

(k) Creditors

Expenditure is recognised when the goods/services are received. Usual payment is 30 days. The carrying amount approximates fair value.

(l) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

	2000 \$	1999 \$
2. CHARGES ON GOODS		
Harbour Dues	\$15,073,183	\$14,157,148
3. CHARGES ON VESSELS		
Tonnage Rates	\$3,110,335	\$3,019,459
4. CHARGES FOR SERVICES		
Boat Harbour Ross River	214,134	256,946
Water Sales	154,312	163,367
Services to Shipping	273,643	292,691
Boat Harbour Ross Creek	132,396	142,211
Electricity Sales	112,317	141,131
Picnic Bay Jetty	71,848	71,613
Breakwater Marina - Mooring Fees	52,540	53,128
Port Services	27,359	10,736
Port Security	27,460	25,376
Main Harbour Fuel Licence Fee	5,349	24,258
Breakwater Marina - Fuel Licence	16,526	15,414
Road Contribution Charge	91,835	31,036
Sewage Treatment Plant	4,906	4,868
Miscellaneous Plant	38,258	101,848
	\$1,222,883	\$1,334,623
5. ADMINISTRATION		
Administration	3,124,101	3,052,745
Engineering & Workshop*	1,234,345	1,136,007
Port Services	778,348	748,613
Public Relations	224,782	130,609
* Represents net expense after allocation of costs to operating expenses and capital expenditure.		
The Authority supported the following Development Bureau and Community Projects:		
Townsville Enterprise Limited	50,000	50,000
Townsville City Council -		
Contribution to the Strand Sand Replenishment	50,000	-
Australian Volunteer Coastguard	35,000	-
Townsville Maritime Museum	35,000	35,000
Pandora Foundation	20,000	20,000
James Cook University of North Queensland Prizes	1,750	1,650
Lower Burdekin Development Council	1,200	1,200
Development Bureau of Hinchinbrook and Cardwell Shires	-	450
	\$192,950	\$108,300

notes to the financial statements

for the year ended 30 June 2000

	2000 \$	1999 \$
6. MAINTENANCE		
Shipping Access	2,431,000	637,531
Wharves	940,950	943,991
Lands and Tenancies	439,990	517,170
Miscellaneous Plant*	431,659	299,928
Boat Harbour Ross River	1,246,523	170,905
Access Roads and Signs	331,213	114,758
Boat Harbour Ross Creek	145,137	76,388
Picnic Bay Jetty	44,566	66,252
Incinerator	1,302	6,018
	\$6,012,340	\$2,832,941

* Represents net expense after allocation of costs to operating expenses and capital expenditure

7. OPERATIONS		
Commission on Harbour Dues	911,674	822,230
Electricity Purchases	231,763	196,353
Water Purchases	309,408	274,703
Refuse Disposal and Other Services	222,040	244,270
Crown Moorings	41,375	41,805
	\$1,716,260	\$1,579,361

8. INCOME TAX EQUIVALENTS

- (i) Prima facie tax equivalents (benefit) / payable on operating (loss) / profit is reconciled to the income tax provided in the accounts as follows:

Prima facie tax equivalents (benefit) / payable on operating (loss) / profit before income tax at 36%	(6,752,018)	1,513,624
Tax Effect of Permanent Differences:		
Non-Deductible Entertainment	12,920	3,221
Non-Deductible Legal Expenses	536	280
Non-Deductible Consultancy Fees	-	(1,459)
Accounting Depreciation on Land and Buildings	115,566	200,279
Accounting Depreciation on Non-Depreciable Items	901,886	534,939
Accounting Loss on Sale of Land and Buildings	344,148	(183,914)
Accounting Loss on Sale of Non-Depreciable Items	22,892	307,142
Net Addback in Respect of Abnormal Loss	7,013,320	-
Special Building Write-Off	(97,861)	(120,427)
Sundry Permanent Differences	(19,423)	(278,930)
Capital Losses Recouped	(171,005)	-
Adjustment for Revaluation Decrement of Depreciable Assets	(5,569,605)	-
Net Adjustment to the Deferred Income Tax Liability and Future Income Tax Benefit to reflect the decrease in Company Tax Rate to 34% / 30%	(76,477)	-
(Over) / Under Provision in Previous Year	(248)	-
	\$2,476,649	\$461,131

Income Tax Equivalents Expense	(\$4,275,369)	\$1,974,755
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notes to the financial statements

for the year ended 30 June 2000

	2000 \$	1999 \$
(ii) Income Tax Expense Comprises:		
Provision for Deferred Income Tax	(5,533,232)	1,520,222
Future Income Tax Benefit	(20,896)	3,447
(Over) / Under Provision in Previous Year	(248)	
Provision for Income Tax	1,279,007	451,086
	(\$4,275,369)	\$1,974,755

9. ABNORMAL ITEMS

(a) Abnormal Expense - Loss on Divesting of TMBC land	-	353,777
(b) Abnormal Expense - Loss on Sale of Carport at No.1 the Strand	-	19,144
(c) Abnormal Diminution of Expense - Depreciation Adjustment 1996/1997	-	(331,577)
(d) Abnormal Diminution of Expense - Depreciation Adjustment 1997/1998	-	(352,853)
(e) Abnormal Expense - Adjustment to Profit on Disposal of Non-Current Assets 1997/1998	-	36,074
(f) Abnormal Expense - Loss on Divesting of Land on Sir Leslie Thiess Drive	62,269	
(g) Abnormal Expense - Loss on Sale of Former Administration Building at 21 Walker Street	474,106	-
(h) Abnormal Expense - Asset Revaluation Decrement	19,481,445	-
	\$20,017,820	(\$275,435)

10. RESERVES

Maintenance Reserve Picnic Bay Jetty	319,574	292,292
Asset Revaluation Reserve	9,662,443	12,643,142
Berth 11 Reserve	200,000	31,554,867
	\$10,182,017	\$44,490,301

Movements During The Year:

Maintenance Reserve Picnic Bay Jetty -

Amount at the Beginning of the Financial Year	292,292	283,931
Passenger Levy Receipts - Transferred from Retained Profits	71,848	71,613
Maintenance Expenses - Transferred to Retained Profits	(44,566)	(63,252)
Amount at the End of the Financial Year	\$319,574	\$292,292

Asset Revaluation Reserve -

Amount at the Beginning of the Financial Year	12,643,142	15,890,906
1998/1999 Asset Revaluation Increment	-	4,757,083
1999/2000 Asset Revaluation Decrement	(2,980,699)	-
Prior Period Adjustment 1996/1997 Asset Revaluation Decrement	-	(3,690,960)
Prior Period Adjustment 1997/1998 Asset Revaluation Decrement	-	(4,313,887)
Amount at the End of the Financial Year	\$9,662,443	\$12,643,142

Berth 11 Reserve -

Amount at the Beginning of the Financial Year	31,554,867	32,396,250
1999/2000 Asset Revaluation Decrement	(31,354,867)	-
1998/1999 Depreciation Charge on User-Funded Asset - Transferred to Retained Profits	-	(841,383)
Amount at the End of the Financial Year	\$200,000	\$31,554,867

notes to the financial statements

for the year ended 30 June 2000

	2000 \$	1999 \$
11. CASH		
Cash on Hand	1,800	1,900
Cash at Bank	236,676	255,016
Term Deposits	608,274	5,798,360
	\$846,750	\$6,055,276
12. RECEIVABLES (CURRENT)		
Trade Debtors	2,411,942	2,582,967
Less Provision for Doubtful Debts*	(4,168)	(5,964)
CSR Limited+	16,523	192,808
Breakwater Island Trust**	-	59,856
	\$2,424,297	\$2,829,667
13. OTHER ASSETS		
CURRENT		
Prepayments	126,275	1,986,248
Utility Deposits	13,253	13,253
	\$139,528	\$1,999,501
NON-CURRENT		
Future Income Tax Benefit	527,084	506,188
Utility Deposits	16,359	25,574
	\$543,443	\$531,762
14. RECEIVABLES (NON-CURRENT)		
CSR Limited+	-	37,680
	\$0	\$37,680

+ Repayments on loan raised in respect of the Molasses Storage Tank are paid by CSR Limited on behalf of Australian Molasses Trading Pty Ltd. The loan is for a 10 year period ending September 2000.

notes to the financial statements

for the year ended 30 June 2000

				2000 \$	1999 \$
15. PROPERTY, PLANT & EQUIPMENT					
	Cost	Valuation	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$
Channels and Swing Basins	-	60,875,000	31,326,176	29,548,824	52,280,587
Wharves	-	120,710,000	94,794,212	25,915,788	65,002,978
Wharves	-	-	-	-	213,803
Land	-	24,602,360	-	24,602,360	21,408,755
Plant and Equipment	-	17,575,827	10,997,877	6,577,950	5,078,167
Plant and Equipment	10,000,917	-	1,146,184	8,854,733	1,968,638
Improvements (Land)	-	10,741,500	2,211,766	8,529,734	8,280,744
Improvements (Land)	468,167	-	10,420	457,747	183,699
Breakwaters	-	6,496,000	4,090,667	2,405,333	3,360,166
Buildings	-	13,556,172	6,876,222	6,679,950	8,144,772
Buildings	1,166,286	-	14,018	1,152,268	5,882
Small Boat Harbours and Facilities	-	5,666,500	2,867,618	2,798,882	2,718,712
Motor Vehicles	682,831	-	243,768	439,063	454,294
Access Roads	-	5,475,000	3,166,000	2,309,000	2,254,709
Access Roads	-	-	-	-	40,388
Beacons	-	377,000	260,000	117,000	-
Beacons	-	-	-	-	99,467
Capital Works in Progress*	3,614,570	-	-	3,614,570	2,540,474
	\$15,932,771	\$266,075,359	\$158,004,928	\$124,003,202	\$174,036,235

	2000 \$	1999 \$
*Capital Works in Progress		
Harbour Works	1,404,281	526,527
Equipment	658,001	641,255
Eastern Port Development	1,235,566	1,364,676
Building	316,722	8,016
	\$3,614,570	\$2,540,474

16. CREDITORS (CURRENT)		
Trade Creditors	1,540,179	988,007
Revenue in Advance	572,665	386,702
Retention	180,010	18,518
Accrued Wages	53,228	-
Pilotage Clearing Account	217,177	298,908
Trust Fund Deposits	16,049	11,524
Advance from Qld Transport	-	30,000
	\$2,579,308	\$1,733,659

17. BORROWINGS		
Current	361,476	3,066,323
Non-Current	-	361,486
	\$361,476	\$3,427,809

All borrowings are with Queensland Treasury Corporation. The Queensland Treasury Corporation recorded a market value adjustment of (\$63,537), (1999 was \$17,246) principally as a result of past movements in the market value of liabilities in the Debt Pools giving a market debt outstanding of \$297,938 (1999 was \$3,445,055).

notes to the financial statements

for the year ended 30 June 2000

	2000 \$	1999 \$
18. PROVISIONS		
CURRENT		
Employees' Long Service Leave	40,288	43,168
Employees' Annual Leave	389,379	371,220
Sales Tax	76,121	66,003
Dividend*	-	1,560,830
Income Tax	1,043,104	397,641
Fringe Benefits Tax	24,081	21,457
V.E.R. (Pilots Voluntary Early Redundancy)	102,379	121,986
Competitive Neutrality Fee	3,900	-
	\$1,679,252	\$2,582,305
* Not yet advised of Dividend rate.		
NON-CURRENT		
Employees' Long Service Leave	\$432,981	\$435,726
19. CREDITORS (NON-CURRENT)		
Rent in Advance	\$875,730	\$933,114
20. OTHER NON-CURRENT LIABILITIES		
Deferred Tax Liability	\$653,343	\$6,186,575
21. SHARE CAPITAL		
Authorised capital - 500,000,000 ordinary shares of \$1 each	\$500,000,000	\$500,000,000
Issued capital - 121,935,028 ordinary shares of \$1 each fully paid	\$121,935,028	\$121,935,028
22. CONSULTANCY EXPENDITURE		
Professional/Technical	596,188	683,011
Management	12,938	31,904
Human Resource Management	11,130	29,350
Finance/Accounting	38,523	113,591
Information Technology	33,232	205,275
	\$692,011	\$1,063,131
23. COMMITMENTS		
(a) Capital Expenditure Commitments Plant & Equipment	\$48,195	\$35,837
Depending on works performance these commitments are payable not later than one year.		
(b) Operating Leases		
Due not later than one year	\$35,581	\$45,378
Due not earlier than one year and not later than five years	-	\$35,581

notes to the financial statements

for the year ended 30 June 2000

	2000 \$	1999 \$
24. CONTINGENT ASSETS/LIABILITIES		
There were no known contingent assets/liabilities of a significant nature at 30 June 2000.		
25. SEGMENT REPORTING		
The Authority operates predominantly in one industry being that of seaport management and control. It operates predominantly in one geographic segment being Townsville.		
26. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for auditing the accounts.	\$23,700	\$21,260
27. SENIOR EXECUTIVES AND DIRECTORS' REMUNERATION		
<u>Senior Executives</u>		
Number of senior executives whose remuneration from the Authority were within the bands listed below:		
	1999/2000	1998/1999
\$100,000 - \$109,999	2	N/A
\$160,000 - \$169,999*	1	N/A
*Executive may also earn performance based at risk incentive bonus which is not shown above.		
The aggregate remuneration of the above 3 executives (excluding any performance based at risk incentive bonus) was \$373,623. These details for 1998/1999 were not required to be disclosed.		
<u>Directors' Remuneration</u>		
Remuneration received or due and receivable by all Directors of Townsville Port Authority from all activities in the economic entity, including insurance premiums to indemnify liabilities while acting as a Director.	\$111,099	\$69,536
<u>Directors Retirement Benefits</u>		
Amounts paid to prescribed superannuation funds for the provision of retirement benefits for Directors.	\$6,440	\$6,216

28. RELATED PARTY INFORMATION

From time to time, Directors and Director-related entities have commercial dealings with the Authority. These transactions are conducted on arms length terms and conditions. Directors declare their interest on commercial dealings at Board meetings.

notes to the financial statements

for the year ended 30 June 2000

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

(i) Interest Rate Risk

The Authority's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

Financial Instrument	0-1 Years		Fixed Rate Maturing In 1-5 Years		Over 5 Years		Non-Interest Bearing		Carrying Amount as per Balance Sheet		Weighted Average Book Rate	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Financial Assets												
Cash on Hand	-	-	-	-	-	-	1,800	1,900	1,800	1,900	-	-
Cash at Bank	236,676	255,016	-	-	-	-	-	-	236,676	255,016	4.42%	4.00%
Short Term Deposits	608,274	5,798,360	-	-	-	-	-	-	608,274	5,798,360	5.71%	5.14%
Receivables - See note 1(j)	-	-	-	-	-	-	2,424,297	2,867,347	2,424,297	2,867,347	-	-
Financial Liabilities												
Creditors - See Note 1(k)	-	-	-	-	-	-	3,455,038	2,666,773	3,455,038	2,666,773	-	-
QTC Borrowings	361,476	3,066,323	-	361,486	-	-	-	-	361,476	3,427,809	8.18%	8.23%

In the above Financial Instruments, book value equates to net fair value, with the exception of QTC Borrowings. Market value of QTC Borrowings as at 30th June 2000 is \$297,938 (1999 was \$3,445,055). The effective book interest rate as at balance date on fixed rate borrowings range from 8.07% to 10.46%. Expected final repayment date is 15th September 2000.

(ii) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(iii) Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Authority approximates their carrying value. See note 1(d)

30. EVENTS OCCURRING AFTER BALANCE DATE

(i) Shareholding Ministers will be considering a change in capital structure during 2000/2001.

(ii) The Authority is in the final stages of negotiation on a contract for a development project in the vicinity of \$1.15 million.

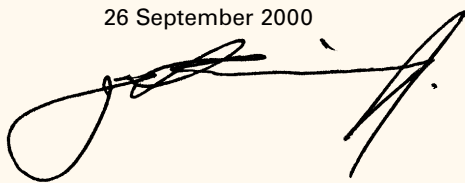
(iii) All events noted in the previous year's Annual Financial Report as occurring after balance date were finalised during this year.

certificate of townsville port authority

We have prepared the foregoing annual financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and certify that -

- (a) the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of Townsville Port Authority; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, on a basis consistent with that applied in the financial year last preceding, of the transactions of the Authority for the period 1 July 1999 to 30 June 2000 and of the financial position as at the close of that year.

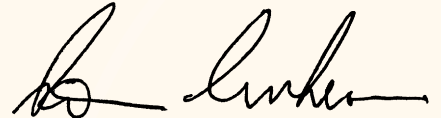
26 September 2000



J. A. SHERRIFF
Finance Manager



L. A. TAYLOR
Chief Executive Officer



R. G. McLEAN
Chairman

audit certificate

scope

I have audited the financial statements of Townsville Port Authority prepared by the Authority for the year ended 30 June 2000 in terms of section 46F of the Financial Administration and Audit Act 1977. The financial statements comprise the Profit and Loss Statement, Balance Sheet, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Chairperson and person responsible for financial administration.

Townsville Port Authority is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements, which include Australian Accounting Standards, so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this certificate has been formed on the above basis.

audit opinion

In accordance with section 46G of the Financial Administration and Audit Act 1977, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Townsville Port Authority for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.



N. P. JACKSON
Assistant Auditor-General
(As delegate of the Auditor-General)

Queensland Audit Office
Brisbane

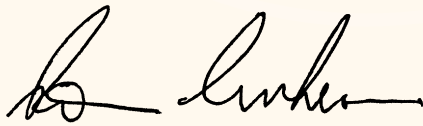


directors' statement

At the date of this statement, in the opinion of the Directors, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors.

26th September 2000



R. G. McLean
Chairman

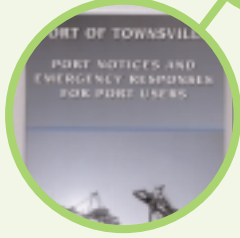


B. K. Keating
Deputy Chairperson





communications
materials



corporate information

as at November 2000

Chairman Ron McLean
Deputy Chairperson Beth Keating
Board Directors Terrence Baxter
 Mark Bragg
 Jennifer Gleeson
 Tom Greenwood
 Cr Tony Mooney
 Marjorie Pagani
Ex-Officio Director Captain Tony Caldwell
 Acting Regional Harbour Master

Chief Executive Officer to be appointed
Acting Chief Executive Officer Martin Norman
Manager Engineering Business Unit Larry Hore
Manager Human Resources Business Unit Greg Sentinella
Corporate Services Manager Susan Carrington
Development Works Manager Jason Mahlberg
Environmental Services Manager Caryn Anderson
Port Services Manager Dave King
Trade Development Manager Darrin Pearce
Bankers ANZ Banking Group Ltd
Solicitors Roberts, Nehmer McKee
 Suthers Taylor
 Boulton, Cleary & Kern
Auditor Auditor-General of Queensland
Internal Auditors PricewaterhouseCoopers

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